



DEPARTMENT OF DEFENSE

FINANCIAL MANAGEMENT REGULATION

VOLUME 6A: “REPORTING POLICY”

**UNDER SECRETARY OF DEFENSE
(COMPTROLLER)**

VOLUME 6A, CHAPTER 2: “FINANCIAL ROLES AND RESPONSIBILITIES”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated November 2008 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
020102	Clarified applicability in Enterprise Resource Planning (ERP) environments.	Add
020201	Clarified roles, internal controls and responsibilities.	Add
020202	Clarified details of internal controls responsibilities.	Add
020207	Clarified the requirement for documentation of current period adjustments.	Add
020208	Revised guidance on delegation of journal voucher (JV) approval and review. Implemented new internal controls.	Add
020210	Updated certification guidance.	Add
Multiple.	Added hyperlinks.	Add

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CHAPTER 2

FINANCIAL REPORTS ROLES AND RESPONSIBILITIES

0201 OVERVIEW

020101. Purpose

This chapter defines the roles and responsibilities in the preparation and issuance of financial reports for Department of Defense (DoD) Components. DoD Components and the Defense Finance and Accounting Service (DFAS) are responsible for the proper and consistent preparation of financial reports at the DoD Component departmental, intermediate, and installation level. In some instances, DoD Components prepare their own financial reports without accounting support from DFAS. Ultimately, each DoD Component is responsible for the accuracy and completeness of financial information in the reports which present the financial effects of its operations.

*020102. Scope

These policies apply to [all DoD Components, including those entities](#) whose departmental, intermediate, and installation level financial reports are prepared by DFAS, [DoD Components and organizations operating Enterprise Resource Planning \(ERP\) systems under an approved Memorandum of Understanding with DFAS, certain DoD Components which](#) prepare their own financial reports (e.g., the Army Corps of Engineers), and certain organizations required by [security considerations](#) to perform their own accounting. [In those instances in which DFAS does not have financial report-preparation responsibility, the reporting entity shall fulfill the responsibilities assigned in this chapter at both the DFAS and DoD Component level.](#) This chapter does not include the requirements for the audited or interim financial statements addressed within [Office of Management and Budget \(OMB\) Circular A-136](#) and in Volume 6B of this Regulation. [At the point ERP systems demonstrate full functionality in the target-environment, assigned roles and responsibilities described in this chapter may be reassigned by the appropriate DoD authority.](#)

0202 RESPONSIBILITIES

*020201. Stewardship and General Responsibilities

The U.S. Congress provides resources to finance the programs, missions, and functions of DoD and its Components. Financial reports are a tool to display the status and uses of those resources. DoD Components and DFAS have responsibilities to ensure that financial reports are accurate and timely in order for managers to make sound decisions and exercise proper stewardship over these resources.

A. The Office of the Under Secretary of Defense (Comptroller) (OUSD(C)). OUSD(C) is responsible for the development and approval of DoD policy on financial reports and oversight of the issuance and implementation of such policy. This responsibility includes determination of policies governing:

1. Division of responsibilities between DoD Components and DFAS.
2. Establishment of internal controls and audit trails required for the preparation of financial reports and the processing of associated transactions.
3. Reconciliation of subsidiary records with financial balances.
4. Establishment and approval of schedules required to meet financial reporting requirements and deadlines.
5. Approval and adjustment of draft annual reports as well as adjudication of adjustments and other issues where there is a disagreement between the DoD Component and DFAS.
6. Types and levels of adjustments that DFAS is authorized to make without the specific prior approval of DoD Components.
7. Types of acceptable documentation required to support adjustments to the official accounting records.
8. Preparation, approval, and review of journal vouchers (JV).
9. Release of reports.
10. Requirements for certifications.

B. DoD Components. DoD Components are responsible for:

1. Ensuring the accuracy, completeness, timeliness, and documentary support for all data generated and input into finance and accounting systems or submitted to DFAS for input and/or recording in the finance and accounting systems and inclusion in financial reports. Documentary support includes compliance with records management and retention policies described elsewhere in this chapter, in Volume 5, Chapter 21, "Disbursing Office Records," in Volume 1, Chapter 9, "Financial Records Retention," and in Volume 15, Chapter 6, "Security Assistance Case Files."
2. Establishing, maintaining, and reviewing appropriate internal controls.
3. Reviewing all reports provided by DFAS to assess the accuracy of the financial information being reported. The applicable appropriation manager(s) should be involved in such reviews for financial reports prepared at or below the appropriation level.
4. Performing program and management analyses on the information contained in the financial reports.

5. Identifying any conditions in the financial reports that indicate either a potential or an apparent violation of the Antideficiency Act and initiating an investigation in accordance with Volume 14 of this Regulation.

6. [Complying with relevant guidance in this chapter in instances where DFAS responsibilities listed below have been formally delegated to the Component level.](#)

C. DFAS. The Director of DFAS shall establish procedures to ensure that:

1. Data provided by the DoD Component (including data input into finance and accounting systems by the DoD Component) is recorded accurately and [timely in accordance with established standards](#), and processed in the finance and accounting systems. DFAS shall perform designated disbursing and accounting operations on behalf of the DoD Component and record the results of those operations in a timely and accurate manner. Documentary support and audit trails will be maintained, including compliance with records management and retention policies described elsewhere in this chapter, in Volume 5, Chapter 21, “Disbursing Office Records,” in Volume 1, Chapter 9, “Financial Records Retention,” [and in](#) Volume 15, Chapter 6, “Security Assistance Case Files.”

2. The process for preparing financial reports is consistent, timely, auditable, and controls are in place to provide for the accuracy of the reports.

3. Repetitive financial reports are consistent and prepared in the same manner by use of the same procedures, practices, and systems. It is not intended that the introduction of improvements to these policies, procedures, and systems will be prohibited or limited.

4. Reports are edited and validated for accuracy and consistency between reports from the same source and between reports of prior period(s) and the current period.

5. Classified financial information is properly safeguarded.

*020202. Internal Controls

A. DoD Components. DoD Components shall establish appropriate internal controls to ensure that data [processed in component-controlled systems or](#) provided to DFAS to be recorded in the accounting systems and subsequently used in financial reports is accurate, complete, supportable, and processed timely into the finance and accounting systems. DoD Components shall maintain or create controls to ensure that:

1. [For financial transactions submitted to DFAS](#), tools [exist](#) to identify and track the numbers, types, and dollar amounts of transactions submitted.

2. All transactions are edited to assure accuracy, e.g., the transaction is identified correctly in terms of the type of transaction, reported quantity, and the dollar amount(s).

These edits include compliance with standardized General Ledger transactions sets found in the [USSGL Transaction Library](#).

3. Transactions that have occurred during a reporting period are uniquely identified with the reporting period and transmitted to DFAS in adequate time for processing to meet the reporting schedule due dates. The last day of the reporting period and the final due date for transactions may be established for a date(s) other than the last day of each month, quarter, or fiscal year when agreed upon between DFAS and the DoD Component and approved by OUSD(C).

4. Draft reports provided by DFAS for review, certification, or approval are returned to DFAS, with proposed adjustments, for verification with official accounting records by the pre-established due dates so the preparation and submission of the final reports is not delayed.

5. The Defense Working Capital Fund Accounting Report (AR (M) 1307) is validated and approved by the DoD Component each month. Guidance concerning the general preparation of this report is contained in Volume 6A, Chapter 15 of this Regulation.

6. Actual or potential Antideficiency Act violations are reported, reviewed, and investigated in accordance with Volume 14 of this Regulation.

B. DFAS. DFAS shall establish internal controls to ensure that data provided by each DoD Component is recorded accurately and processed timely into the finance and accounting systems. DFAS shall maintain or create controls to ensure that:

1. All transactions and trial balances are processed correctly. These controls should include tools to identify and track numbers, types, and dollar amounts of the transactions received and generated by DFAS.

2. All transactions generated are edited to assure accuracy, e.g., that the transaction is identified correctly in terms of the type of transaction, reported quantity, and dollar amount.

3. Specific edits are applied by type of transaction in each finance or accounting system operated by DFAS. Transactions that fail to pass edits shall be assigned for research and correction by DFAS or the DoD Component. Every effort should be made to resolve any discrepancies prior to the end of the reporting period. Examples of input transactions that may require research by the DoD Component include, but are not limited to:

a. Personnel transactions inputting data to the payroll system that exclude data essential to pay employees.

b. Obligation transactions as a result of contracts or purchase orders that exclude data essential for recording the transactions in accounting or payment systems.

c. Receipt and acceptance transactions that exclude data essential for recording the transactions in accounting or payment systems.

d. Disbursements that do not match obligations or receipts because of missing program data.

4. Transactions that occur during a reporting period are uniquely identified with the reporting period and processed in order to meet the reporting schedule due dates.

5. The preparation of all financial reports is consistent from one reporting period to another reporting period and the same financial information is used as the source for different reports whenever the same information is reported.

6. Ending balances for one reporting period will be perpetuated as the beginning balances for the subsequent reporting period and shall be carried forward without change.

7. Reports prepared are supportable, reliable, and accurate. These controls include tools to ensure that:

a. All transactions applicable to the effective period of the report have been edited and posted to the official accounting records.

b. Proposed adjustments to a previously issued report are edited, validated, documented, and posted to the official accounting records.

c. Reported amounts are verified to the amounts contained in the official accounting records.

d. Report lines have the proper sign (positive or negative).

e. Mathematical calculations on each report are validated.

f. Identified relationships between amounts on report lines within a report and from one report to another report are checked and validated.

g. Current reports are compared to prior reports and checks are made to identify significant errors, omissions, and distortions.

h. Applicable corrections are made to the reports before release to the recipients.

8. Actual or potential Antideficiency Act violations are reported to DoD Components for their review and investigation in accordance with Volume 14 of this Regulation.

020203. Audit Trails

A. DoD Components. DoD Components shall ensure that audit trails are maintained in sufficient detail to permit tracing of transactions and balances from their sources to amounts reported in their ERP systems or to the amounts reported in their transmission to DFAS. Audit trails are necessary to demonstrate the accuracy, completeness, and timeliness of a transaction. In addition, audit trails provide documentary support for all data generated by the DoD Component in their ERP system or submitted to DFAS.

B. DFAS. DFAS shall ensure that a complete and documented audit trail is maintained to support the reports it prepares. Supporting documents or images of the supporting documents should be retained by the organization that translates the information into an electronic mode. Internal controls shall be in place to ensure that the transactions are:

1. Edited for accuracy and completeness.
2. Controlled from unauthorized access and use.
3. Identified, tracked, and controlled to ensure that the numbers, types, and dollar amounts are complete.
4. Authorized and approved by duly designated officials.

020204. Reconciliation

Many financial balances (e.g., general ledger proprietary and budgetary accounts, such as assets, liabilities, commitments, and undelivered orders) require supporting subsidiary records to validate the amount of the financial balance. Such subsidiary records shall be reconciled to financial balances in accordance with the policies, requirements, and frequencies prescribed in this Regulation.

A. DoD Components

1. DoD Components maintain the supporting records for many financial balances and are outside the control of DFAS. The accuracy of such subsidiary records shall be validated periodically, on a sample or other authorized basis, against applicable physical assets or other appropriate confirmations of the source documents.

a. Periodic counting or other physical verification is required by various regulations in the case of equipment, inventories, supplies and materials, and real property depending upon the nature of the asset.

b. Periodic validation is required in the case of commitments, obligations, and accounts payable. These validations shall include the review of the documentary evidence that initiated the financial transaction to ensure integrity of the source data.

2. Changes in the source data shall be documented and recorded in a Component's ERP system or transmitted to DFAS for proper recording.

B. DFAS

1. DFAS shall establish procedures to ensure that all general ledger balances and other associated financial balances which require supporting subsidiary records are reconciled in accordance with DoD policy, when specifically required by OUSD(C), with the amounts contained in the supporting records, including original source data. See Volume 3, Chapter 8, Section 0804 of this regulation.

a. Many of the supporting subsidiary records for the financial balance amounts are established and maintained by DFAS. DoD Components shall participate in the reconciliation process for these subsidiary records when the original source documents or transactions that require research to complete the reconciliation are retained by the DoD Component.

b. When subsidiary records are maintained by the DoD Component, DFAS shall establish a reconciliation schedule, mutually agreed to by the DoD Component and subject to approval by the OUSD(C), to reconcile the subsidiary records with the financial balance. The reconciliation of such supporting records with the financial balance is a joint responsibility of DFAS and the DoD Component.

2. Unreconciled differences shall be investigated in accordance with applicable provisions of this Regulation and appropriate adjustments documented and processed to balance the general ledger amount with the amount of the subsidiary records.

3. When unreconcilable differences between the general ledger and the subsidiary ledger records exceed \$1 million, reconciliations shall be performed on a monthly basis in order to determine the cause of the differences and to take appropriate corrective actions to ensure the accuracy and integrity of the accounting system and monthly reports.

020205. Reporting Schedules

A. DFAS shall establish procedures requiring joint development of report preparation schedules with DoD Components. The purpose of these schedules is to meet the reporting due dates consistent with the policies in this chapter.

B. Reporting schedules for reports being provided to external recipients shall include the opportunity to present a draft of the report to the DoD Component for review and approval prior to release to the recipients.

C. Reporting schedules for DoD departmental level reporting entities shall be submitted by DFAS to OUSD(C) for approval.

020206. Draft Reports

A. DoD Components. DoD Components shall review reports developed in their ERP systems or provided by DFAS to assess the accuracy of the financial information being reported. The review should attempt to identify errors, omissions, and significant diversions from budgeted or planned amounts and levels of activity. The DoD Component shall:

1. Research and propose adjustments to correct, as appropriate, abnormal account balances, such as negative balances or unusual amounts.

2. Research any unusual trends and comparisons with prior year and/or prior period amounts to determine whether corrective action is required.

3. Ensure that the amounts in financial reports are consistent and reconcilable with the same financial data included in management reports prepared by the DoD Component.

4. Not make changes to draft reports [provided by DFAS](#) or release the reports to external recipients. To do so will result in the official accounting records being unreconcilable to such reports and the reports will not be supported fully with documented audit trails for all of the transactions impacting the reports. When errors or omissions are identified in a draft report, DFAS will be requested to revise the report and include the changes in the final report.

5. [DoD Components shall validate reports created within their ERP systems. DoD Components shall perform quality reviews to confirm that:](#)

a. [Amounts on the report are mathematically correct.](#)

b. [Internal relationships of amounts included in a report that are interdependent are proven to be correct.](#)

c. [Abnormal account balances, such as negative balances or unusual amounts, are researched and resolved, if possible.](#)

d. [Unusual trends and comparison with prior year and/or prior year amounts are identified and researched.](#)

B. DFAS. DFAS shall validate reports to ensure that the reported amounts agree with the official accounting records prior to release to DoD Components for review and approval or release to external recipients. DFAS shall perform quality reviews to confirm that:

1. [Amounts on the report are mathematically correct.](#)

2. [Internal relationships of amounts included in a report that are interdependent are proven to be correct.](#)

3. [Abnormal](#) account balances, such as negative balances or unusual amounts, are researched and resolved, if possible.

4. [Reported](#) amounts for the same data elements for the same report period are consistent across all similar financial reports.

5. [Unusual](#) trends and comparisons with prior year and/or prior period amounts are identified and called to the attention of the customer for appropriate action or analysis by the customer.

C. [OUSD\(C\)](#). DoD Component-proposed changes to the draft reports, with which DFAS does not concur, shall be referred to OUSD(C) for adjudication within 15 calendar days after DFAS indicates that it will not make the changes. Requests for adjudication may be submitted by either the DoD Component or DFAS.

***020207. Current Period Adjustments**

A. Current period adjustments are required for several reasons, including instances when subsidiary records do not reconcile with the financial balances, transactions need correction, and adjustments are required to align obligations, accruals, or expenses with the liquidation amounts for receipts, acceptances, and/or disbursements.

B. The need to make adjustments may be identified by either DFAS or by DoD Components and shall be supported by written documentation which is sufficiently detailed to provide an audit trail to the source transaction(s) that require the adjustments. This documentation shall include the rationale and justification for the adjustment, detailed numbers, and dollar amount of errors or conditions related to the transaction(s) or record(s) that are proposed for adjustment, date of the adjustment, and name and position of the individual approving the adjustment. [The documentation must be readily available and complete in hardcopy, systemically-stored electronic records or a combination.](#)

1. [DoD Components](#). When, during an applicable reporting period, a DoD Component identifies an adjustment pertaining to information included in a monthly, quarterly, semiannual, or annual report, the adjustment need not be reported separately, but shall be made and reflected in the information included in the applicable report.

2. [DFAS](#). When DFAS identifies an adjustment that needs to be made to the official accounting records of a DoD Component, the proposed adjustment shall be referred to the DoD Component who shall review and approve the adjustment, except as provided in the following paragraphs.

a. When DFAS makes an adjustment to correct errors made by DFAS in the preparation of a report, e.g., calculation errors and similar mistakes, they may be corrected by DFAS without referral to the affected DoD Component. Examples of corrections which may be made by DFAS without referral to a DoD Component are:

(1) Adjustments to correct systems processing deficiencies.

(2) Adjustments to correct an error made by DFAS in processing a transaction or a previous adjustment.

(3) Adjustments to correct a financial balance to equal the sum of subsidiary records.

(4) Adjustments to align funding, obligation, accrual, or expense amounts with the liquidation amount for receipts, acceptances, and/or disbursements when such adjustments are required by applicable supporting information.

b. DFAS shall notify DoD Components at least once each month of the reports impacted, total amounts, types, and categories of reasons for adjustments made without referral to the DoD Component under circumstances specified in the preceding paragraph. Corrected reports shall be provided if applicable. The DoD Component shall keep an adequate record of all such notifications.

***020208. Journal Voucher (JV) Preparation**

A. General. Proper preparation of and adequate support for JVs is important to ensure they accurately record [accounting- , financial- or other General Ledger-related](#) events and that documentation for a detailed audit trail exists. [JVs are used to process monthly, quarterly, and annual adjustments to unadjusted General Ledger \(GL\) account balances in field and higher level accounting and reporting systems. The unadjusted GL balances are summaries of transaction data reported through various level financial reporting systems to record specific homogeneous types of transactions and balances that aggregate to specific classifications on the financial statements. Any adjustments made in any reporting systems or through offline manual processes in report preparation are classified as JV adjustments. However, JVs are not used to establish or adjust amounts recorded in subsidiary ledgers. An Optional Form 1017-G \(Journal Voucher\) or other agency-approved form is used to effect expenditure withdrawals and credits or adjustments within appropriation, fund, or receipt accounts. JVs are used for manual adjustments that affect a General Ledger Account Code or line of accounting reported at the Treasury level which are not processed as a Standard Form \(SF\) 1080 \(Voucher for Transfers Between Appropriations and/or Funds\) or SF 1081 \(Voucher and Schedule of Withdrawal and Credits\) and do not affect Treasury \[expenditure\]\(#\) reporting. Proper preparation of, and adequate support for, JVs is the responsibility of DFAS and DoD Components. \[Memorandum-style entries to the General Ledger affecting neither Treasury-level reporting nor subordinate records are not considered JVs for the purposes of this chapter. Organizations must be diligent to minimize the quantity of such entries and must be able to clearly demonstrate appropriate control processes.\]\(#\)](#)

B. Appropriate Uses of Journal Vouchers. [JVs shall have the following primary uses within DoD:](#)

1. Correcting Entries. Correcting entry JVs adjust for errors identified during the reports review process. This type of accounting entry includes specific

amounts, accounts, and/or transactions related to the required correction. In some cases, correcting entries are required to adjust for errors on previously prepared JVs. In those instances, correcting entries should both reverse the effect of incorrect entries and record the correct amount. In some cases, both entries can be made with one JV and a single set of supporting documentation. Regardless of whether a single journal voucher or multiple JVs are prepared, the correcting JV shall include a copy of the original JV, documentation supporting the correct amount, and a narrative explanation regarding how it is known that the original entry is incorrect and why the correcting entry is accurate/more accurate.

2. Source Entries. Source entry JVs record those accounting entries that, due to system limitations or timing differences, have not been otherwise recorded. By nature, source entry JVs are usually summarized at the entity level by general ledger account. The source entry accounting transaction shall be supported by documentation for the summarized amounts and identify the location of the transaction-level supporting detail. Source entry JVs generally are used for month-end closing and year-end processing and closing purposes and also may include postings of information provided through data calls, such as those required to record values for property, plant, and equipment recognition.

3. Summarized Entries. Both correcting and source entry JVs will normally be summarized (net) amounts for which documentation is required. In these situations, the summarized accounting entry represents the amount to record the effect of the detailed transactions. In all such cases, the summarized accounting entry shall include documentation of the effect of the detailed transactions and identify the location of the transaction level supporting detail.

4. Subcategories. Correcting and source entry JVs are further separated into the following two subcategories:

a. Audit Recommended Journal Vouchers. When auditors recommend that a JV adjustment be made, the proper authoritative source (see Paragraph 020207) shall perform an analysis of the recommendation using the auditors' workpapers and other relevant information to determine if the recommended adjustments should then be made. Any decision resulting in a determination either that a JV should be prepared or that a JV should not be prepared shall: (1) document why the adjustment is, or is not, required; (2) indicate how the duly authorized official determined that the audit recommendation should, or should not, be followed; and (3) identify the audit recommendation serving as the basis for the actions taken.

b. Component Requested Journal Vouchers. When a DoD Component requests an adjustment that complies with this Regulation, a correcting JV shall be prepared. In addition, the JV shall document why the adjustment is required, indicate how the duly authorized official determined that the entries included on the JV are correct, and identify the customer's request serving as the basis for the adjustment. Supporting detailed records and any related analysis shall be maintained by the DoD Component. A request for a JV entry that is not properly authorized or supported by accurate or proper documentation shall be returned to the JV initiator with an indication of what additional information is required to process it, along with any applicable authoritative guidance.

C. Internal Controls. Operational internal controls in accordance with OMB Circular A-123 shall be in place to ensure the JVs are recorded properly. These controls shall be in place whether JVs are prepared manually or generated by an automated system.

1. JVs may be prepared at the installation or departmental level and shall be:

a. Sequentially numbered by reporting unit and reflected in a JV log to maintain the integrity of JV entries.

b. Categorized by each of the applicable categories listed in paragraph 020208.D.

c. Reviewed to ensure proper recording to posting accounts.

d. Adequately documented to support the validity and the amount of the JV transaction.

e. Authorized, approved and documented at the appropriate level of management or designee. The organizational level within accounting centers, accounting stations, finance offices, and other accounting locations at which JVs shall be approved varies by the dollar amount of the voucher, as shown in Table 2-1. The dollar amount for each JV is defined as the sum of the debit entries on that voucher. Within each of the listed thresholds, other approval thresholds with lower dollar values than those specified in Table 2-1 may be established to accommodate the organizational level of those preparing the JV. In addition, all DFAS-prepared JVs over \$1 billion shall be coordinated with the affected DoD Component. Approving officials may delegate their authority in writing to lower-level supervisors or other duly authorized officials with sufficient knowledge of the accounting matters addressed by the JV. The delegation does not relieve approving officials of their responsibilities as outlined in this chapter. See additional guidance in paragraph 020208.C.2.

Table 2-1

Threshold	Dollar Amount	Approving Official Supporting the Reporting Entity
1	Under \$100 Million	Branch Chief
2	\$100-\$500 Million	Supervisor of Branch Chief
3	Over \$500 Million-\$1 Billion	Director for Accounting or Finance
4	Over \$1 Billion	Director

f. Processed under procedures which ensure that the duties for preparing, documenting, submitting, approving, and entering or posting are separated to the maximum extent possible. The preparer and approver cannot be the same person.

g. Annotated with the name, title, and office symbol of both the preparer and the approver. In an electronic environment, the name, title, and office symbol

may be represented by user identification (user ID).

h. Maintained in a central location in a hard copy, in an electronic form, [or a combination if there was a manual approval of an automated system JV](#). All JVs must be documented, approved by the appropriate level, readily available and in compliance with published guidance.

i. Retained in accordance with records retention guidance contained in Volume 1, Chapter 9 of this Regulation.

2. Adequate managerial internal controls shall be maintained at each level of management [as directed in *OMB Circular A-123*](#) to ensure there is proper oversight of JV preparation. As a minimum, such managerial internal controls shall entail the following:

a. Within 10 workdays after the DFAS accounting centers' issuance of quarterly financial statements for first through third quarter, approving officials, at the levels of authority designated in Table 2-1, must perform and document a high-level integrity review of all JVs for which they delegated approval authority. Integrity reviewers are required to review each delegated JV for compliance with the terms of the delegation, but are not required to review all documentation supporting the JV (refer to paragraph 020208.C.1.e.). A fourth quarter review must take place prior to submission of the Annual Financial Statements to OMB (no later than November 15).

b. A quarterly quality and compliance review, within 30 days after submission of quarterly reports to OUSD(C), by the DFAS Director for Accounting (or designee). This quality review will be made on a random sample of all JVs under \$500 million to determine that JVs are correctly prepared and processed, adequately described and supported, and approved at the proper managerial level within the limitations set forth in paragraph 020208.C.2.a. Similar procedures should be performed on ERP-generated JVs.

(1) An error threshold will be established and the random sample expanded and repeated as necessary.

(2) Identified errors will be corrected and notification will be made to the affected Component as necessary. If errors materially impacted the financial statements, consideration will be given to the need to restate/reissue the financial statements.

c. An assessment by the internal review office of its organization's JV processing procedures, in accordance with [OMB Circular A-123](#). The necessity and importance of independent reviews is also discussed in Volume 1, Chapter 3 of this Regulation.

D. Documentation. Proper documentation, in hard copy, electronic form or a combination of both is necessary to support all JV entries. This documentation shall contain sufficient information for the approving official and others, such as auditors, to clearly understand the reason for preparing the JV, determine it is proper and accurate, and identify

whether the JV entries are supported or unsupported by subsidiary records. Information shall include applicable criteria to support the rationale for preparing the adjustment, specific expenditure or receipt accounts (if applicable), and the calculation of the dollar amount of the adjustment. Clear documentation of the JV preparer, approver(s), and reviewer must be kept with the JV documentation. Supporting documentation should be attached to a copy of the JV. In some cases, it may not be practical to attach all of the documentation to the JV because of the large number of detailed transactions that are summarized on it. In those cases, specific and detailed information summarizing the content and identifying the location of the supporting documentation shall be attached to the JV. Regardless of what method of documentation is used for the JVs, the dollar amount(s) on the JVs shall be clearly and readily identifiable within the supporting documentation for the following categories, as further defined by OUSD(C) Financial Reporting Guidance, Quarterly:

1. Category A — Reversing Entries for Prior Reporting Period. JVs shall include documentation regarding the original accrual entry and an explicit statement that the JV is a reversing entry.

2. Category B — Data Call Entry. Source entry information may be provided by data calls where the data are not recorded on a detailed transaction basis. JVs shall be prepared to record the summarized data call amounts in these situations so the amounts can be recorded in the general ledger trial balance. The data call entry shall be supported by documentation for the summarized amount and shall identify the source or location of the transaction-level supporting detail and/or information for the entry. Examples of data call entries include property, plant and equipment; operating materials and supplies; environmental liabilities; contingent liabilities; and employee benefit data.

3. Category C — Balancing Entries for Eliminations. When the duly authorized official has determined that entries are necessary to balance buyer side data with the seller side data, a correcting JV shall be prepared prior to eliminating selected intragovernmental accounts. The documentation shall include the appropriate worksheets that show in detail the seller side data that were received, the buyer side control values that are being adjusted, and the calculation of the adjustment amount. The supporting documentation for these JVs shall also include a narrative that summarizes the procedures that were used to make buyer side adjustments and include the following information:

a. Eliminations are necessary so as not to overstate or understate the performance or financial position of a reporting entity by including the effects of transactions within a reporting entity. As stated in the notes to the financial statements and Volume 6B, Chapter 13 of this Regulation, DoD uses intra-DoD summary seller side balances for revenue, accounts receivable, and unearned revenue to adjust the intra-DoD departmental buyer side records for costs, accounts payable, and advances, respectively. Balancing entries for eliminating entries include amounts to ensure that the corresponding transfer in and transfer out accounts are equal for trading partners. A failure to balance the buyer and seller side data could result in significant distortions in consolidated financial statements.

b. The procedures to use information provided by the seller for fiscal year reporting were developed due to systems limitations that prevent the identification of buyer side transactions by specific trading partners.

c. All supporting documentation is attached, including the detailed information from the seller that was used to adjust the buyer side records and the resulting accounting entries.

4. Category D — Recognition of Undistributed Disbursements and Collections. Entries shall be made to adjust Fund Balance with Treasury, as reported, for the amount of supported undistributed disbursements and collections reported in the departmental expenditure system. The proper supporting documentation for this type of [JV](#) consists of identifiable amounts that are in transit from other sources (such as DFAS or Federal agencies). Many amounts at the detailed transaction level are not available due to timing differences, and support consists solely of transmitted sums. In such a case, evidence available to support the [JV](#) adjustments consists of summarized transmittal amounts. However, for audit trail purposes, the detailed transaction level amounts shall be obtained from the transmittal source when the amounts become available. Further evidence includes documentation of procedures and the allocation process used to apply undistributed disbursements and collections to accounts payable and accounts receivable, respectively.

5. Category E — Reconciliation of Trial Balance and Budget Execution Reports. [JV](#) entries in this category are made to match trial balances or other source data reported by field accounting sites and/or accounting stations to the DoD Component's budget execution reports. Trial balances or other source data should be considered to be correct and should only be adjusted to budget execution data in instances where budget execution data are determined to be more accurate. The [JV](#) shall document why a discrepancy exists in the data, the reason the budget execution data or other data are considered to be more accurate, the evidence to support this reason, and how it was determined that the entries on the [JV](#) are correct.

6. Category F — Supply Management Inventory. A correcting [JV](#) shall be prepared when the duly authorized official has determined that inventory values for supply management activities need to be adjusted from standard price to approximate historical cost. The supporting documentation shall include appropriate references to Volume 4, Chapter 4 of this Regulation and a clear explanation of the method that was used to comply with the policy in this Regulation to value inventory and cost of goods sold.

7. Category G — Reclassification of Accounts. A correcting [JV](#) shall be prepared to crosswalk data from installation level accounts to the [United States Standard General Ledger](#) (USSGL) when the duly authorized official has determined that the accounting systems are unable to provide data at the required level of detail for financial statement and footnote presentation. The supporting documentation shall include a narrative that explains the reason the reclassification is necessary and the reason the systems are unable to provide the data at the required level of detail. [See also the USSGL Transaction Library.](#)

8. Category H — Identified Errors and Reasonableness Checks.

Evidence to support either an authorized official or auditor identified correcting JV shall include a detailed listing of identified errors, a narrative explaining how it is known that the original entry is incorrect, a related analysis documenting the calculation of the correct amount, and the sources of the data that were used in the analysis.

9. Category I — Adjustment to Balance Reports Internally. A correcting JV may be necessary when the duly authorized official has determined that a reconciliation of data supporting two different reports cannot be performed. Evidence to support this type of JV shall include documentation of the reconciliation efforts made before determining that the reports cannot be reconciled.

10. Category J — Other Accruals. The supporting documentation for other accrual JVs shall include a narrative explaining the basis for the accrual and any subsequent reversal.

020209. Release of Reports

A. DoD Components. DoD Components shall approve DFAS-produced draft annual reports and return those reports to DFAS for appropriate revision, validation, and release as final reports. The DoD Component shall not release any DFAS-produced reports, including monthly recurring reports, such as budget execution reports, to any organization external to the DoD Component. Such reports shall be released only by DFAS. Requirements for the audited and interim financial statements can be found in Volume 6B, Chapter 2 of this Regulation.

B. DFAS. DFAS shall validate all final reports using the official accounting records prior to release to their intended recipients. This release of reports shall be taken only after final validation that corrections and adjustments have been made and that the report agrees with the official accounting records.

*020210. Certifications

A. DoD Component/Reporting Entity. A reporting entity is the organization represented by the financial information in a financial statement or report. This may be a DoD Component or a subordinate command/organization. For example, a reporting entity may include an individual command or activity such as a shipyard or a supply depot, or it could encompass a number of activities within a business area, such as all shipyards or aircraft depot maintenance activities in a Military Department. A reporting entity also can be at a DoD Component level. Reporting entities having working capital funds are responsible for signing the “Defense Working Capital Fund Accounting Report” (AR (M) 1307)(Volume 6A, Chapter 15).

B. DFAS. DFAS' role in processing financial data and in preparation of financial reports for DoD Components accrues certain responsibilities. Accordingly, DFAS shall provide the following to the DoD Component:

1. Assurances and certifications, when requested, to the reporting entity regarding the quality of the accounting and report preparation services performed for the DoD Component.

2. Signed monthly, quarterly, and semiannual reports on behalf of the DoD Component following review and approval by the DoD Component. An exception is the “Defense Working Capital Fund Accounting Report” (AR (M) 1307), which the DoD Component is required to sign. Also, guidance for the audited and interim financial statements can be found in Volume 6B, Chapter 2 of this Regulation.

VOLUME 6A, CHAPTER 3: “MONTHLY REPORTING OF OUTLAYS AND RECIEPTS”

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated May 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reworded and reformatted chapter for clarity. Revised references and added electronic links.	Update
030102	Added link to Treasury Governmentwide Accounting (GWA) site for pilot testers of that system.	Add
030203.C	Revised to reflect the types of transactions reported under “Gross Disbursements” on the FMS Form 1220 “Statement of Transactions According to Appropriations, Funds, and Receipt Accounts” (SOT).	Update
030204	Added clarifying language for the reporting of mortgage transactions as they relate to securities.	Add
030204.B	Updated to include additional subclasses for specific transaction types.	Update
030204.C	Updated to include additional subclasses for specific transaction types.	Update
030205	Added a reference which contains submission requirements for the FMS Form 1219 “Statement of Accountability” (SOA) and FMS Form 1220 Reports.	Add

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CHAPTER 3

MONTHLY REPORTING OF OUTLAYS AND RECEIPTS

0301 OVERVIEW

030101. Purpose

This chapter [prescribes](#) guidance for the monthly reporting of outlays and receipts to the Department of the Treasury. The Treasury Financial Manual (TFM), Volume I, Part 2, Chapters 3100 and 3300 ([TFM 2-3100](#) and [TFM 2-3300](#), respectively), requires a monthly detailed reporting of disbursements and collections (outlays/receipts). TFM 2-3100 has the reporting instructions for entities that [perform](#) their own disbursing, while TFM 2-3300 has the reporting instructions for entities that receive disbursing support from the Treasury.

*030102. Scope

These policies apply to Department of Defense (DoD) reporting entities [authorized](#) to prepare and submit consolidated monthly reports of outlays and receipts to the Department of the Treasury, Financial Management Services (FMS). [DoD entities conducting authorized pilot testing of the Treasury Governmentwide Accounting \(GWA\) reporting process may employ GWA-specific reporting not addressed in this chapter.](#)

0302 STATEMENT OF TRANSACTIONS

030201. General

Entities responsible for their own disbursing shall report DoD outlays and receipts using an FMS-prescribed format, FMS Form 1220, “Statement of Transactions According to Appropriations, Funds, and Receipt Accounts” (SOT), in [support of the](#) Statement of Accountability (SOA). The SOT is a companion report to the FMS Form 1219, “Statement of Accountability”, and represents the detailed support behind the summarized “net disbursements” reported by the disbursing officer in the SOA. The SOA reporting preparation and submission requirements are discussed in TFM 2-3100 and Volume 5, Chapter 19.

030202. FMS Disbursing Support

Entities that receive disbursing support from FMS (with regard to the operations of designated Defense Agencies) must report using FMS Form 224, “Statement of Transactions” (Classified According to Appropriation, Fund and Receipt Account; and Related Control Totals). Instructions for reporting using the FMS Form 224 are contained in TFM 2-3300.

030203. Report Preparation

The FMS Form 1220 SOT must show a detailed account classification of the disbursements and collections processed in disbursing officers’ accounts for the current

accounting period, as referenced in TFM 2-3100, [Appendix No. 4](#). Column titles for the SOT and required content are as follows:

A. Appropriation, Fund, or Receipt Account. The established symbol of the appropriation, fund, or receipt account must be shown for the transactions being reported. In certain cases, special reporting of transactions below the level of appropriation or fund account will be required. Separate subclass identification codes are assigned to the agencies to be used as a parenthetical prefix to the account. When transactions must be classified below the account level, segregation by type of transaction will be made using the appropriate subclass codes referenced in TFM 2-3100, [Appendix No. 6](#), and paragraph 030204 of this chapter.

B. Receipts and Collections Credited to Appropriation or Fund Accounts. Receipts and collections for the following types of transactions shall be reported in accordance with TFM 2-3100, [Appendix No. 4](#):

1. Available receipts
2. Unavailable receipts
3. “F” receipt clearing accounts
4. Collections credited to appropriation or fund accounts
5. Borrowing from the public (issuing agency)
6. Sale of Federal securities (by investing agency)
7. Loan repayments

*C. Gross Disbursements. Gross charges to appropriation and fund accounts for the following types of transactions shall be reported in accordance with TFM 2-3100, [Appendix No. 4](#):

1. “F” clearing accounts

2. [Current fiscal year collections credited to an appropriation or fund account](#). The following types of current fiscal year transactions are the only exceptions in which collections should be netted against gross disbursements:

- a. Refunds of payments made in the current fiscal year
- b. Cancelled or returned checks originally issued in the current
- c. Other corrections of errors made in the current fiscal year

fiscal year

3. Investments in Federal securities
4. Redemption of Federal securities (by issuing agency)
5. Loan disbursements
6. Automated clearing house payments functioned by a debit voucher

*030204. Special Reporting

A. Borrowing Authority

1. A DoD Component becomes the mortgagor when it acquires property subject to a previous mortgage under the DoD Homeowners Assistance Program, or when it borrows money to finance or issues a mortgage instead of immediate payment for new construction under the DoD Family Housing Program. See Volume 3, Chapter 15 for additional guidance on Borrowing Authority.

2. The total acquisition cost of property, including mortgages payable included in the sale of non-guaranteed government agency securities, shall be reported as a disbursement with prefix (22) to liquidate the entire related obligation. The amount of the mortgage assumed, which is included in the sale of non-guaranteed government agency securities, shall be reported as a reimbursement with prefix (97).

3. Payments to the mortgagee shall be reported in two parts: payments on principal, which are associated with the redemption of non-guaranteed government agency securities, shall be reported as disbursements with prefix (87); and interest payments with prefix (22).

4. The sale of property subject to a previous mortgage that is assumed by the buyer shall be reported as a reimbursement in the amount of the total sales price with prefix (22). Report only the portion of this balance as it relates to the redemption of non-guaranteed government agency securities. The amount of the existing mortgage assumed by the buyer, related to the redemption of non-guaranteed government agency securities, shall be reported as a disbursement with prefix (87).

*B. Trust Fund Investments

1. United States (U.S.) Government securities that are purchased as an investment by a trust fund must be reported as a disbursement at par value with prefix (88).

2. Report the sale of securities at par value as a receipt with prefix (98).

3. Further guidance on reporting related to the purchase and sale of U.S. Government securities, including the purchase of unrealized discount [with prefix \(75\)](#), can be found in TFM Volume I, Part 2, Chapter 4300 ([TFM 2-4300](#)).

*C. Cash. Additional reporting guidance on cash held outside of the U.S. Treasury ([prefix \(41\)](#)) can be found in TFM Volume I, Part 2, Chapter 3400 ([TFM 2-3400](#)).

*030205. Submission Method

FMS coordinates with the reporting entities to ensure appropriate submission and reporting procedures are in place to accomplish the monthly reporting requirement. Reporting entities compile expenditure accounting information from their reporting activities and electronically submit a monthly consolidated report to FMS in accordance with due dates established by FMS and consistent with the requirements of the Office of the Under Secretary of Defense (Comptroller) Program/Budget (OUSD(C)(P/B)) Program and Financial Control Directorate (P&FC). [Section 3145 of TFM Volume I, Part 2, Chapter 3100, lists the submission requirements for the SOT and SOA](#). The FMS consolidated submission consists of the SOA and SOT, to include intragovernmental activity disbursed and collected for others.

030206. Distribution

Each reporting entity that collects or disburses for another reporting entity must provide an SOT or other acceptable notification to the entity that is responsible for the funds. In addition, the SOT shall be electronically submitted to OUSD(C)(P/B).

030207. Reconciliation of Monthly Information

The totals reported on the SOT and/or supplemental report shall be consistent with the summarized “net disbursements” submitted by the reporting entities.

030208. Supplemental Reporting

A supplemental report may be submitted to FMS to adjust data after submitting the SOA and SOT. Under special circumstances, FMS may request a supplemental report from the reporting entity.

030209. Reporting for Accounting Periods When No Transactions Occur

An SOA must be submitted for periods when no transactions occur, whereas an SOT is not required.

VOLUME 6A, CHAPTER 4: “APPROPRIATION AND FUND STATUS REPORTS”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated March 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reworded and reformatted chapter for clarity. Revised references and added electronic links.	Update
Multiple	Changed the name of the Accounting Report Monthly (AR(M)) 725 Report from “Supplemental: Total Reimbursements” to “Report on Reimbursements” to reflect the current report title.	Update
Multiple	Revised the references to the SF-133 to align with the new report format.	Update
040203.A	Clarifies the reporting schedule for the Year-End Closing Statement (FMS Form 2108)	Update
040205 040304.C	Clarifies the procedures for obtaining United States Standard General Ledger (USSGL) crosswalk data.	Update
040303.A	Revised according to the Financial Management Service (FMS) reporting schedule.	Update
040304.A	Added a requirement for supplemental information to be submitted directly to the Office of Management and Budget (OMB).	Add
040403 & 040406	Revised the instructions for preparing the Report on Reimbursements.	Update
040407	Revised the guidance for obtaining the checklists for the AR(M) 725 report.	Update
040503	Revised the instructions for preparing the AR(M) 1002 report.	Update

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Figure 2	Insert a copy of the SF-133 according to the new format prescribed by OMB Circular No. A-11.	Update
Figure 3	Updated to align with the new format for the Report on Reimbursements (AR(M) 725).	Update

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CHAPTER 4

APPROPRIATION AND FUND STATUS REPORTS

0401 OVERVIEW

040101. Purpose

This chapter [prescribes](#) the reporting requirements and [policy to follow when preparing](#) appropriation and fund status reports at the departmental level. These [reports](#) identify, for the Defense Finance and Accounting Service (DFAS) and its customers, the status of accounting transactions on a monthly, quarterly, and annual basis. This chapter does not prescribe the reporting requirements of the intermediate command and installation levels.

040102. Scope

The provisions of this chapter apply to all Department of Defense (DoD) Components [and cover](#) the following types of appropriations and fund accounts:

- A. General Fund
- B. Management Fund
- C. Public Enterprise Revolving Fund
- D. Intragovernmental Revolving Fund (including Working Capital Funds)
- E. Special Fund
- F. Trust Non-Revolving and Trust Revolving Funds

040103. Report Formats and Control Numbers

The report [formats](#) [and](#) control numbers for the appropriation and fund status type reports are identified in the respective paragraphs [of](#) this chapter. [Sample reports are provided in Figures 1 through 4 of this chapter.](#)

040104. Frequency and Distribution

The frequency and distribution of each report is designated within the respective paragraphs of this chapter.

040105. Federal Agencies' Centralized Trial-Balance System II (FACTS II)

A. [**FACTS II**](#) collects budget execution [and resource](#) data from all Federal agencies. This electronic submission fulfills the requirements of the Financial Management

Service ([FMS](#)) Year-End Closing Statement ([FMS Form 2108](#)) and Report on Budget Execution and Budgetary Resources (Standard Form (SF) 133). In addition, a significant amount of the data is used to populate the prior year data in the Program and Financing (P&F) Schedule of the President's Budget.

B. FACTS II is [United States \(U.S.\) Government Standard General Ledger \(USSGL\)-based](#), collecting preclosing adjusted trial balance (ATB) data by [USSGL](#) accounts and attributes for each fund symbol. Almost all USSGL accounts reported in FACTS II are budgetary in nature (i.e., 4000-series USSGL accounts). The budgetary accounts record budgetary resources (e.g., budget authority, contract authority, and authority from offsetting collections) and the status of resources in the context of obligational authority (e.g., obligations incurred, unobligated balances, and balances not available for obligation).

C. FACTS II also collects a small number of proprietary accounts used to reconcile cash (e.g., USSGL account 1010, Fund Balance with Treasury).

D. FACTS II is not used to report receipt account actuals. [For these accounts](#), an SF-133 must be prepared and provided to the Office of the Under Secretary of Defense (Comptroller) Program/Budget (OUSD(C)/(P/B)), Program and Financial Control Directorate (P&FC). An [electronic SF-133](#) must be submitted for each receipt account reported in the Department of the Treasury year-end fiscal year (FY) Monthly Treasury Statement ([MTS](#)) feedback report. Use the Receipt Account Symbols and Titles listed in Part I of the Federal Account Symbols and Titles ([FAST](#)) Book supplement to Volume I of the Treasury Financial Manual (I [TFM](#)). Although new Treasury symbols are obtained from the Department of the Treasury by DFAS Standards and Compliance ([S&C](#)), Corporate Reporting, any new Treasury symbols used in SF-133 reporting must be approved by the OUSD(C)/(P/B) (P&FC).

E. FACTS II replaced the Government On-Line Accounting Link System (GOALS) applications that formerly collected FMS Form 2108 and SF-133 data. FACTS II does not replace FACTS I, which is a separate GOALS application that collects proprietary USSGL account balance information used to produce the [Financial Report of the of the U.S. Government](#). Both FACTS I and FACTS II exist simultaneously and run independently of one another. Users access FACTS II through GOALS II. FACTS II does not replace other form-based reports, such as the "Appropriation Status by FY Program and Subaccounts" ([Accounting Report Monthly](#) (AR(M)) 1002).

0402 YEAR-END CLOSING STATEMENT (FMS FORM 2108)

040201. Purpose

This section describes the report format and instructions used to prepare the annual report on [unexpended balances of appropriations](#) and funds [required by](#) Volume I TFM, Part 2, [Chapter 4200](#). The report is used to:

- A. Prepare the Department of the Treasury preclosing trial balance of the central appropriation and fund accounts.
- B. Submit agency requests for central appropriation and fund account cancellations with the exception of no-year (X) accounts.
- C. Prepare agency analysis of appropriation and fund balances in terms of availability; and
- D. Provide source data used by the Department of the Treasury in publishing the Combined Statement of Receipts, Outlays, and Balances of the U.S. Government.

040202. Scope

Report the following balances by FACTS II general ledger account and attribute, when applicable, for each of the types of appropriations and funds listed in paragraph 040102:

- A. Regular and transfer appropriations
- B. Transfers to other Federal agencies under the appropriation (transfer appropriation accounts)
- C. Investments held (at par)
- D. Unamortized investment premiums and discounts
- E. Unfunded contract authority
- F. Authority to borrow from the Treasury, the public, or both.

040203. Frequency and Distribution

*A. The Department of the Treasury, FMS creates the Year-End Closing Statement (FMS Form 2108) balances and establishes the reporting schedule to receive and reconcile FACTS II information from DFAS. FMS requires agencies to report annually according to the schedule of reporting dates provided in the Treasury “Year-end Closing” Bulletin. FMS prepares the Year-End Closing Statement for the Office of Management and Budget (OMB) based upon FACTS II general ledger information and attributes forwarded by the DoD. Reports are prepared as of September 30 of each year.

B. DFAS sites use the FMS FACTS II application to prepare and distribute the following number of FMS Form 2108 electronic copies:

OUSD(C)/(P/B)(P&FC)
Department of the Treasury

FMS 2108
1(BEX)
1(FACTS II)

DoD Components and Other Authorized Users
(As Applicable)

1

C. Agencies administering parent accounts prescribe the required number of report copies for transfer appropriation accounts, as well as the reporting due dates for agencies administering the transfer accounts. This helps ensure agencies administering the parent accounts meet their reporting due dates. The foregoing provisions must also be observed for allocations to the Military Departments and Defense Agencies from appropriations administered by the Secretary of Defense.

040204. Preparing FMS Form 2108

I TFM, Part 2, [Chapter 4200](#) provides preparation instructions for FMS Form 2108. Detailed reporting instructions concerning unfunded contract authority and borrowing authority should be reviewed each year to identify any changes.

*040205. FMS Form 2108 Format and Crosswalk to the USSGL

The basic format for FMS Form 2108 can be found in Figure 1. Additional instructions and crosswalks to the USSGL accounts applicable to FMS Form 2108 are contained in the current fiscal year's version of the [USSGL](#). After opening the hyperlink, under the section titled "USSGL Search", enter the applicable search criteria and select "Crosswalks". The annual update to this section (for reporting in the following fiscal year) is issued shortly after the release of the revised OMB Circular No. A-136, "[Financial Reporting Requirements](#)", and is usually available no later than October.

040206. Certifications

The supporting DFAS site prepares the paper copy of FMS Form 2108 for certification (see subparagraph 040206.A.) by the appropriate Military Department Assistant Secretary for Financial Management and Comptroller (FM&C) or the Deputy Comptroller (Program/Budget), OUSD(C). DFAS electronically transmits the FMS Form 2108 certification to the Department of the Treasury via FACTS II only after having received documentary evidence of certification by the program manager of the funds being certified. The paper copy certification (shown in subparagraph 040206.B.), with the original signature, must be retained by the DFAS site. A copy shall be retained by DFAS [S&C](#), Corporate Reporting, for review and audit purposes.

A. Certification for Hard-Copy FMS Form 2108:

"I hereby certify that the amounts shown in this report are correct. All known transactions meeting the criteria of 31 U.S.C. 1501(a) have been obligated and are so reported."

B. Certification of DFAS Electronic Submission:

“Pursuant to authority vested in me, on _____, I transmitted to the Financial Management Service of the Department of the Treasury, by electronic means, my certification that the obligation balances in each appropriation account of the agency reflect proper existing obligations and that expenditures from the account since the preceding review were supported by a proper obligation of funds and otherwise meet the criteria of 31 U.S.C. 1501(a). In doing so, I used my personal identification number (PIN) as my adopted signature.”

0403 REPORT ON BUDGET EXECUTION AND BUDGETARY RESOURCES (SF-133)

040301. Purpose

This section contains instructions for implementing the requirements of [OMB Circular A-II](#), “Preparation, Submission, and Execution of the Budget,” for the monthly SF-133. The SF-133 is designed to show the status of budgetary resources and related financial data and is intended for use, with other available information, in reviewing apportionments and the U.S. Government’s budgetary program, in managing the rate of incurring obligations and outlays, and as a basis for initiating requests for reapportionments and transfers.

040302. Scope

A. Applicability. The requirements of this section apply to all DoD Components.

B. Basic Report. An SF-133 must be prepared for each unexpired (current) or expired account. These reports constitute the “basic report” and consist of the following:

1. Military functions accounts
 - a. General Fund
 - b. Management Fund
 - c. Public Enterprise Revolving Fund
 - d. Intragovernmental Revolving Fund (including Working Capital Funds)
 - e. Special Fund
 - f. Trust Non-Revolving and Trust Revolving Funds.

2. Civil functions accounts
3. Security Assistance Program Accounts
4. Credit Financing Accounts.

040303. Frequency and Distribution

*A. The FMS receives quarterly budget execution information via FACTS II from DFAS (and U.S. Army Corps of Engineers Finance Center for their civil accounts) according to the FMS reporting schedule. FMS prepares the quarterly SF-133 for OMB based upon FACTS II general ledger information and attributes forwarded by DoD. DFAS sites submitting departmental-level reports use the FACTS II application to prepare and electronically transmit the required number of reports, as follows, by the prescribed FMS reporting due dates:

	<u>SF-133</u>
OUSD(C)/(P/B)(P&FC)	2 (BEX & PDF file)
Department of the Treasury	1 (FACTS II)
Office of Management and Budget	1 (FACTS II)
DoD Components and Other Authorized Users	1
(As Applicable)	

B. DFAS sites maintaining departmental-level general ledger account balances and attributes must prepare and distribute an electronic SF-133 copy in the intervening months, based upon supporting general ledger account balances and attributes, by the prescribed due dates. The reports are to be distributed as follows:

	<u>SF-133</u>
OUSD(C)/(P/B) (P&FC)	2 (BEX & PDF file)
DoD Components and Other Authorized Users	1 ..
(As Applicable)	

C. Reports on Allocation and Appropriation Transfer Accounts

1. Administering (Transfer To) Account. DoD Components administering allocation accounts (including those established pursuant to obligational authority contained in Operation and Maintenance (O&M), Defense Agencies operating budgets) or transfer appropriation accounts shall not include related SF-133s in their basic reports. Instead, these reports shall be submitted to the DoD Component, or Federal agency outside of the Department, that administers the parent account.

2. Parent (Transfer From) Account. DoD Components administering parent accounts shall combine the data on the SF-133 covering the allocation or transfer appropriation accounts with the parent accounts. The consolidated SF-133s shall be included in the basic reports.

D. Submission Schedule

1. Except for reports on allocation and transfer appropriation accounts, reports are to be submitted by the departmental-level accounting entities as of the end of each month. Submit regular reports in accordance with due dates established by DFAS and consistent with the requirements of FMS and the OUSD(C).

2. Reports on allocation and transfer appropriation accounts, *which are* required to be submitted to the parent agency, shall be furnished in accordance with the schedule prescribed by that agency, and consistent with the timeframe provided in OMB Circular A-136.

040304. Preparation

*A. The SF-133 is divided into *five* sections: (1) Budgetary Resources; (2) Status of Budgetary Resources; (3) Change in Obligated Balances; (4) Net Outlays; and (5) *Unfunded Deficiencies*. Amounts reported are cumulative from the beginning of the fiscal year to the end of the period reported. Include all footnotes at the end of the report. *Any information used to supplement or clarify the submitted reports must be forwarded directly to OMB.*

B. Exhibits of sample SF-133 reports can be found in *OMB Circular A-11*.

*C. The SF-133 Format and Crosswalks to the USSGL. *The* DoD implementation of the USSGL is *contained* in Volume 1, Chapter 7 of this Regulation. Crosswalks from the SF-133 report to the USSGL are *contained* in the current fiscal year's version of the *USSGL*. The annual update to this section (for reporting in the following fiscal year) is issued shortly after the release of the revised OMB Circular No. A-136, "Financial Reporting Requirements", and is usually available no later than October. After opening the hyperlink, *under the section titled "USSGL Search", enter the applicable search criteria and select "Crosswalks". If the crosswalk is published and available, select the link to take you to the complete report or desired report section. If the crosswalk is not yet published for the selected reporting year, a link will not be available.*

D. Additional information *pertaining* to the *reporting requirements for the* SF-133 report can be found in *OMB Circular No. A-136*.

040305. The Expired Phase: Budget Execution Reporting Procedures

Obligated and unobligated balances must be reported on the SF-133 for each expired Treasury Appropriations Fund Symbol (TAFS) that has not been canceled.

A. Instructions for budget execution reporting procedures *pertaining* to expired TAFS that have not been canceled can be found in Section 130.10 of OMB Circular A-11.

B. Likewise, instructions for reporting upward and downward adjustments to expired TAFS can be found in Section 130.11 of OMB Circular A-11.

040306. The Expired Phase: Obligation Adjustments for Contract Changes

Upward adjustments to obligations in expired appropriation accounts caused by “contract changes” that exceed certain thresholds are subject to additional reporting and approval requirements. A “contract change” [represents](#) an order relating to an existing contract under which a contractor is required to perform additional work. A contract change does not include adjustments related to an escalation clause.

A. The thresholds and related reporting and approval requirements for “contract changes” are specified in Section 130.11 of OMB Circular A-11.

B. Duties and responsibilities designated to “the agency head” in this section of the OMB Circular are fulfilled by the Under Secretary of Defense (Comptroller) (USD(C)), as the Secretary of Defense’s designee.

040307. The Expired Phase: Alternatives for Payment of Old Obligations

The length of the expired phase of a TAFS may only be changed by law. When the Department requires payment of obligations beyond the normal 5-year expired phase (such as the Navy Shipbuilding and Conversion appropriation), the Assistant Secretary of the Military Department (FM&C) must submit proposed changes to appropriation language for the budget year through OUSD(C)/(P/B) to OMB for approval. This authority may be requested only when historical outlay data indicates that payment of old balances from unexpired funds regularly exceeds the 1 percent limitation or when such payments would severely affect the current program. (Such authority shall be reported to the Department of the Treasury to prevent premature automatic cancellation of the account.) Without this authority, DoD must seek reappropriation of canceled balances and defer payment until the appropriation is available, or pay from current appropriations, as described in Volume 3, Chapter 10 of this Regulation.

040308. Reporting on Expired Appropriations Being Closed

Expired obligated and unobligated balances must be reported as canceled on the final, September 30 SF-133 before closing the TAFS. Once an amount is reported as canceled, it should not be reported again. Technically, TAFSs are “closed,” while appropriations and balances are “canceled.” Instructions for budget execution reporting related to expired TAFS that have not been cancelled can be found in Section 130.13 of [OMB Circular A-11](#).

040309. SF-133 and the Statement of Budgetary Resources (SBR)

The compilation of an agency’s SF-133s should generally agree with the agency’s SBR. The few differences are explained in Section 130.19(e) of OMB Circular A-11.

040310. Consistency of Amounts Reported

Amounts reported on the fourth quarter SF-133 must be consistent with information reported to Treasury as part of the year-end closing procedures and must be based on actual accounting information pursuant to [31 U.S.C 3512](#). Actuals submitted to OMB for inclusion in the President's annual budget, which is submitted to the Congress, should agree with those submitted to the Treasury and those submitted on the fourth quarter SF-133. More details on expected consistencies and differences are explained in Section 130.19 of OMB Circular A-11.

040311. Additional Preparation Instructions

[Preparation instructions for the SF-133 are provided in](#) OMB Circular A-11, Appendix F.

***0404 REPORT ON REIMBURSEMENTS (AR(M) 725)**

040401. Purpose

This report identifies supplemental budget execution data with respect to reimbursements, in terms of their sources and the fiscal year programs being executed. The data are required for use, with other available information, in the review and analysis of program and budget formulation and execution, including the detection of trends in the collection of monies due the U.S. Government.

040402. Scope

- A. The provisions of this section apply to all DoD Components.
- B. Reports are required electronically for the following:
 - 1. All current appropriations or other fund accounts for military or civil functions of the Department that are reported on the SF-133
 - 2. All expired appropriations or other fund accounts
 - 3. Trust fund accounts if reimbursements are from non-federal sources
 - 4. Trust revolving fund accounts if the reimbursements are from U.S. Government accounts
 - 5. Allocation and transfer accounts for DoD Components from appropriations made to the Office of the Secretary of Defense (OSD) (agency code 97).
- C. Unless specifically requested in writing by the OUSD(C), reports are not required for the following:
 - 1. Trust fund accounts, except those in subparagraph 040402.B.3

2. Trust revolving fund accounts, except those in subparagraph 040402.B.4
3. Deposit fund accounts
4. Other Defense, civil programs
5. Security assistance appropriation accounts

[*040403.](#) Report Format

The AR(M) 725 shall be prepared in accordance with the guidance provided in paragraph 040406 of this chapter. The current report format can be found in Figure 3.

040404. Frequency

Reports shall be electronically submitted monthly in accordance with due dates established by DFAS, and consistent with the requirements of OUSD(C). The report shall be submitted at the same time as the AR(M) 1002.

040405. Distribution

- A. Include the AR(M) 725 with the SF-133.
- B. Reports shall be electronically distributed, as follows:

DoD Components and Other Authorized Users
(As Applicable)

[Report on Reimbursements](#)

1

[*040406.](#) Preparation

A. Basis of Reporting. Amounts reported shall agree with corresponding data recorded in the following USSGL accounts, as appropriate:

- 4221 Unfilled Customer Orders Without Advance
- 4222 Unfilled Customer Orders With Advance
- 4251 Reimbursements and Other Income Earned – Receivable
- 4252 Reimbursements and Other Income Earned – Collected.
- [4253 Prior-Year Unfilled Customer Orders With Advance – Refunds](#)

Paid

- B. Unit of Entries. Reported amounts are to be rounded to the nearest thousand.
- C. Description (Column A). This column identifies whether the reimbursable transaction is from a “Federal” or “Non-Federal” source.
- D. Reimbursements Receivable (Column B). Enter the amount of receivables brought forward from the prior year. The total of this column must agree with column I of the year end AR(M) 725 report from the prior year.
- E. Unfilled Customer Orders w/o Advance (Column C). Enter the amount of unfilled orders brought forward from the prior year. The total of this column must agree with column J of the year end AR(M) 725 report from the prior year.
- F. Total Anticipated Reimbursements (Column D). Enter the estimate of reimbursements expected to be earned during the current fiscal year, subject to OMB apportionment, other authorized reimbursements, and/or other income for which current year obligational authority is automatically established based on orders received.
- G. Earned Reimbursements (Column E). This column represents the amount to be recognized when a performing organization renders actual or constructive performance on a reimbursable order. Generally, reimbursements must recover the cost elements set forth in Volume 11A, Chapter 3 and Volume 11B, Chapter 3 of this regulation.
- H. Changes in Unfilled Customer Orders (Column F). This column represents the net change in unfilled customer orders during the period. The balance in this column is increased by new customer orders and decreased by customer orders which have been earned.
- I. Anticipated Orders for Rest of Year (Column G). For transactions with the public, this column represents estimated collections, including advances expected to be received and reimbursements expected to be earned. In transactions between U.S. Government entities, this balance represents orders expected to be received, but which have not been accepted.
- J. Reimbursements Collected (Column H). This column represents collections received on a reimbursable basis for which goods and services have been provided.
- K. Reimbursements Receivable (Column I). This column represents the balance of outstanding collections, for which goods and services have been provided on a reimbursable basis, at the end of the reporting period.
- L. Unfilled Customer Orders w/o Advance (Column J). This column represents the balance of unfilled customer orders, at the end of the reporting period, for goods and services without an advance. This line applies only to transactions between government entities.

*040407. Edits

A copy of the current checklists for the AR(M) 725 report can be found in the “Fiscal Year End Departmental-Level Handbook for Defense Agencies.” A copy of the current handbook is located in the [Army Budget](#) section of the Assistant Secretary of the Army Financial Management & Comptroller (ASA (FM&C)) website.

0405 APPROPRIATION STATUS BY FISCAL YEAR PROGRAM AND SUBACCOUNTS (AR(M) 1002)

040501. Purpose and Report Control Number

This section prescribes the preparation and submission of reports on the application and status of appropriation and other fund accounts. The reports are designed to present budget execution data with respect to obligational authority in terms of the fiscal year programs being executed at budgetary subdivisions not found on the SF-133 report. Program value, obligation, unobligated balance, unexpended balance, and expenditure balance data integrity must be maintained, by line item, throughout an account’s unexpired and expired availability periods. Expired account adjustments which move resources between budget line items must reflect the appropriate change to that line item’s program value amount, [obligations](#), unobligated balance, unexpended balance, and expenditure data on the AR(M) 1002.

040502. Scope

- A. The provisions of this section apply to all DoD Components.
- B. Reports are required for all general and special fund appropriations for military and civil functions of the Department that are reported on [the](#) SF-133, except those accounts specifically exempted in subparagraph 040502.C.
- C. Reports are not required for the following, unless specifically requested in writing by the OUSD(C):
 - 1. Revolving funds that do not have direct appropriation funds available; except for accounts 97 X 4555, 4090, 4965, and 0833
 - 2. Receipt accounts, deposit funds, and trust funds, except for 97 X 8097, 8098, and 8335
 - 3. The civil funds of the U.S. Army Corps of Engineers and the U.S. Soldiers’ and Airmen’s Home
 - 4. Transfer appropriation accounts.

*040503. Report Format

The AR(M) 1002 shall be prepared in accordance with the guidance provided in subparagraph 040506. The current report format is can be found in Figure 4.

040504. Frequency

Reports shall be electronically submitted monthly in accordance with due dates established by DFAS, and consistent with the requirements of OUSD(C). The reports shall be arranged in the same order as the SF-133s they support.

040505. Distribution

	<u>AR(M) 1002</u>
OUSD(C)/(P/B)(P&FC)	1 (BEX)
DoD Components and Other Authorized Users (As Applicable)	1

040506. Preparation

A. Units of Entry. All amounts are to be rounded to the nearest thousand, and no attempt need be made to adjust the rounded figures so that they will add to column totals. Rounded amounts shall never exceed the actual amounts by more than \pm \$2,000.

B. Direct Programs1. Military Personnel

Report at least two classification levels for distinct sets of TI codes 17 (Navy), 21 (Army), and 57 (Air Force), fiscal year (FY) program, and Treasury account number (basic symbol)

(1) Level One. Budget Activity (BA) equals the M-1 (Military Personnel Programs) BA. Use the set of distinct M-1 BA records to present the BA stub entries.

(2) Level Two. Sub Budget Activity (SBA) equals the M-1 SBA and is the M-1 line-item detail and lowest classification level. Use the set of distinct M-1 SBA records to present the SBA stub entries. Present the SBA stub entries under their respective BA.

(3) Level Three (Optional). Budget Line Item (BLI) equals PB-30J Summary of Entitlements and is the lowest classification level. Use the same set of distinct entitlement stub entries on the AR(M) 1002 that are displayed in budget exhibit PB-30J. Present the BLI stub entries under their respective BA and SBA.

2. Operation and Maintenance

a. Report three classification levels for distinct sets of TI code 17 (Navy), 21 (Army), and 57 (Air Force), FY program, and basic symbol.

(1) Level One. BA equals the O-1 (Operation and Maintenance Programs) BA. Use the set of distinct O-1 BA records to present the BA stub entries.

(2) Level Two. [SBA](#) equals the O-1 Budget Activity Group (BAG). Use the set of distinct O-1 BAG records to present the [SBA](#) stub entries. Present the [SBA](#) stub entries under their respective BA.

(3) Level Three. Budget Line Item (BLI) equals the O-1 Subactivity Group (SAG) and is the O-1 line-item detail and lowest classification level. Use the set of distinct O-1 SAG line items to present the BLI stub entries. Present the BLI stub entries under their respective BA and BSA.

b. Report two classification levels for distinct sets of TI Code 97 (Office of the Secretary of Defense), FY program, and basic symbols as prescribed by [DFAS Manual 7097.01](#).

(1) Level One. BA equals the O-1 BA. Use the set of distinct O-1 BA records to present the BA stub entries.

(2) Level Two. Defense Level Organization equals the O-1 Defense Agencies. Use the set of distinct O-1 Defense Agencies to present the Defense Level Organization stub entries. Present the Defense Level Organization stub entries under their respective BA. Valid Defense Agencies are identified in the DFAS Manual 7097.01 Budget Project Codes appropriation chapters. Within each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency allocation holder.

3. Procurement

a. Report three classification levels for distinct sets of TI Code 17, 21, and 57, FY program, and basic symbol.

(1) Level One. BA equals the P-1 (Procurement Programs) “Budget Activity” and “Budget Activity Title.” Use the set of distinct P-1 BA records to present the BA stub entries. A subtotal at the BA level is required for Procurement Accounts.

(2) Level Two. [SBA](#) equals the P-1 (Procurement Programs) “[SBA](#)” and “[SBA](#) Title.” Use the set of distinct P-1 [SBA](#) records to present the [SBA](#) stub entries. Present the [SBA](#) stub entries under their respective BA. NOTE: A subtotal at the [SBA](#) level is not required for Procurement Accounts.

(3) Level Three. BLI equals the P-1 (Procurement Programs) “Line Item” and “Line Item Title” and is the P-1 line-item detail and lowest classification level. Use the set of distinct P-1 line item records to present the BLI stub entries. Present the BLI stub entries under their respective BA and BSA.

b. Report three classification levels for distinct sets of TI Code 97, FY program, and basic symbols as prescribed by DFAS Manual 7097.01.

(1) Level One. Defense Level Organization equals the P-1 (Procurement Programs) “Organizational Title.” Use the set of distinct P-1 Defense Agencies to present the Defense Level Organization stub entries. A valid list of Defense Agencies is identified in the [DFAS Manual 7097.01](#) Budget Project Codes appropriation chapters. Within each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency allocation holder.

(2) Level Two. BA equals the P-1 (Procurement Programs) “Budget Activity” and “Budget Activity Title.” Use the set of distinct P-1 BA records to present the BA stub entries.

(3) Level Three. BLI equals the P-1 (Procurement Programs) “Line Item” and “Line-Item Title” and is the P-1 line-item detail and the lowest classification level. A valid list of line items/budget projects is identified in the DFAS Manual 7097.01 Budget Project Codes appropriation chapters. Use the set of distinct P-1 line-item records to present the BLI stub entries. Present the BLI stub entries under their respective Defense Level Organization.

4. Research, Development, Test, and Evaluation (RDT&E)

a. Report at least two classification levels for distinct sets of TI Code 17, 21, and 57, FY program, and basic symbol.

(1) Level One. BA equals the R-1 (RDT&E Programs) “Budget Activity” and “Budget Activity Title.” Use the set of distinct R-1 BA records to present the BA stub entries.

(2) Level Two. BLI equals the R-1 (RDT&E Programs) [Program Element](#) (PE) and “PE Title” and is the R-1 line-item detail and the lowest classification level. Use the set of distinct PE records to present the BLI stub entries under their respective BA.

b. Report at least three classification levels for distinct sets of TI Code 97, FY program, and basic symbols as prescribed by DFAS Manual 7097.01.

(1) Level One. Defense Level Organization equals the R-1 (RDT&E Programs) “Organizational Title.” Use the set of distinct R-1 Defense Agencies to present the Defense Level Organization stub entries. A valid list of Defense Agencies is identified in the [DFAS Manual 7097.01](#) Budget Project Codes appropriation chapters. Within

each chapter is a list of valid limitations where the first two digits of the limitation identify the Defense Agency allocation holder.

(2) Level Two. BA equals the R-1 (RDT&E Programs) “Budget Activity” and “Budget Activity Title.” Use the set of distinct R-1 BA records to present the BA stub entries.

(3) Level Three. BLI equals the R-1 (RDT&E Programs) “Line Item” and “Line-Item Title” and is the R-1 line-item detail and the lowest classification level. A valid list of budget activities/program elements is also identified in the DFAS Manual 7097.01 Budget Project Codes appropriation chapters. Use the set of distinct R-1 line-item records to present the BLI stub entries. Present the BLI stub entries under their respective Defense Level Organization.

5. Military Construction and Family Housing

a. Report three classification levels for distinct sets of TI Code 17, 21, 57, and 97, FY program, Military Construction basic symbol and BA of “Major Construction” or “Supporting Activities;” or the BA of “Construction of New Housing” within the Family Housing Construction basic symbols. For TI Code 97, report the three classification levels by Defense Agency as prescribed by the DFAS Manual 7097.01 Budget Project Codes appropriation chapters.

(1) Level One. BA equals the C-1 (Construction Programs) “Budget Activity” and “Budget Activity Title.” Use the distinct set of the C-1 (Construction Programs) “Budget Activity” and “Budget Activity Title” records to present the BA stub entries.

(2) Level Two. SBA equals the C-1 (Construction Programs) “Location,” “Location Title,” and “State-Country.” Use the distinct sets of C-1 (Construction Programs) “Location,” “Location Title,” and “State-Country” record combinations to report the set of locations. Present the location stub entries under their respective BA.

(3) Level Three. BLI equals the C-1 (Construction Programs) “Project” and “Project Title.” Use the distinct sets of C-1 (Construction Programs) “Project” and “Project Title” record combinations to report C-1 line items. Present the C-1 line items under their respective location and BA.

b. Report one classification level for distinct sets of TI Code 17, 21, 57, and 97, FY program, and Military Construction BA of “Minor Construction,” “Planning and Design,” Family Housing Construction BA “Construction Improvements” or “Planning and Design.” The line-item classification equals the C-1 (Construction Programs) “Budget Activity” and “Budget Activity Title.” Use the set of distinct C-1 BA records to present the BA stub entries. For TI Code 97, report the BA by Defense Agency.

c. Report one classification level for distinct sets of TI Code 17, 21, 57, and 97, FY program, and basic symbols Family Housing Operation & Maintenance, or DoD Family Housing Improvement Fund. The line-item classification equals the C-1 (Construction Programs) “Budget Activity” and “Budget Activity Title.” Use the set of distinct C-1 BA records to present the BA stub entries.

d. For Base Realignment and Closure (BRAC), follow the report classification levels prescribed by the DFAS Manual 7097.01 Budget Project Codes appropriation chapter guidance for BRAC Accounts, Parts II, III, and IV. NOTE: The BA of “Major Construction” information is reported by location and title, and all other budget activities are reported at the BA lump-sum level by FY and Service Component or Defense Agency.

e. For the Family Housing Improvement Fund (FHIF) (97 X 0834), follow the guidance in subparagraph 040506.B.5.a once project funds have transferred from Family Housing Construction to the FHIF.

C. Reimbursable Programs

1. Report reimbursable program data separately from direct program data. A subtotal for direct program shall be followed by a one-line reimbursable program, followed by a “Grand Total,” which is the sum of the direct and the reimbursable programs.

2. For all the aforementioned appropriation functional titles, report reimbursable program data at the lump-sum level for distinct sets of TI Code 17, 21, and 57, FY program, and basic symbol.

3. For TI Code 97:

a. Basic symbols for BRAC and Procurement accounts report reimbursable program data at the lump-sum level by FY program and Defense Agency.

b. All other basic symbols report reimbursable program data at the lump-sum level by FY program.

040507. Column Descriptions

The composition and amounts to be entered in each column are:

A. Budget Activity (Column A). Valid values for the report stub entries are the program codes contained in the OUSD(C) Program Resources Collection Process (PRCP) database. The PRCP program codes are equal to the line items found on the President’s Budget, Exhibit C-1, Construction Programs; M-1, Military Personnel Programs; O-1, Operation and Maintenance Programs; R-1, RDT&E Programs; and P-1, Procurement Program documents. The separate FY appropriation accounts of an appropriation title shall be arranged in consecutive order, starting with the most current FY or multiple-year account. The FY programs within a

multiple program year account shall be arranged in consecutive order, starting with the most current FY program. Subtotals are required for each level contained on the report.

B. Appropriated (Column B). Matches the appropriated amounts as shown in the Statement of the Managers accompanying the applicable DoD Appropriations Act (conference report). Do not include distribution of the congressionally directed undistributed reductions. Once established, the dollar values in the column will not change and will continue to be reported for the life cycle of the account (until the account closes).

Cumulative Columns:

C. Approved Program (Column C). Shows the approved program, fiscal year-to-date. Includes the distribution of congressionally directed undistributed reductions and the effect of approved reprogramming actions, “Reprogramming Action - Prior Approval” (DD Form 1415-1) and/or “Reprogramming Action - Internal” (DD Form 1415-3), supplemental appropriations, and rescissions. The amounts in this column will change to reflect congressionally approved changes to the program. This column always reflects the cumulative program to date, and will continue to be reported for the life cycle of the account (until the account closes). Guidance for reprogramming is contained in Volume 3, Chapter 6, and Chapter 7 of this Regulation.

D. Revised Program (Column D). Shows the effect of below threshold reprogramming (BTR) actions initiated by a DoD Component that occur during execution. Note that the grand total for column C and column D will always be the same. The difference between the two columns is column D incorporates BTRs and column C does not. No-year Accounts follow the same guidance as other accounts but are individually reported by Fiscal Year Account. No-year accounts are tracked and reported by the fiscal year in which the funds were appropriated. The period of availability (POA) start year for no-year accounts reflects the year money was appropriated; the POA end year reflects XXXX. For example, the period of availability for no-year money appropriated in FY 2009 would be reflected as 2009/XXXX on the AR(M) 1002. These funds will continue to be reported separately until the account is closed.

*E. Cumulative Obligations (Column E). Enter the amount of obligations occurring from the inception of the program to the end of the reporting period. Obligation transactions shall include both obligations incurred and adjustments of prior year obligations.

*F. Cumulative Unobligated Balance (Column F). (Committed and Uncommitted). Enter the difference between the entries in columns D and E.

*G. Cumulative Expenditures (Column G). Enter the distribution of the gross disbursements (net of refunds) from the inception of the program to the end of the reporting period. Within an FY program, the difference between amounts distributed by subaccounts and total disbursements identifiable to that FY program shall be entered on the line “Undistributed Disbursements.” Disbursements not immediately distributable by FY program, or by subaccount in accounts without FY program subdivisions, shall be entered on the line “Undistributed Disbursements” immediately before the total line for the appropriation account. For expired year

accounts, unless specifically exempted by the OUSD(C), the direct and reimbursable programs are to be reported at the same level of detail as they were reported as unexpired accounts. The total of column G plus the total of column H must equal column D.

H. Cumulative Unexpended Balance (Column H). Enter the distribution of the unexpended balance for the inception of the program to the end of the reporting period. Column H shall equal the difference between columns D and G.

I. Commitments (Column I). The use of column I is optional for operating appropriations. Enter, by subaccount, the amount of outstanding commitments recorded. The entry in this column may properly exceed the amount of the unobligated balance in column F if a program reduction was approved in anticipation of a cancellation or downward adjustment of commitments outstanding. If there was no approved program reduction, then an excess of commitments outstanding over total unobligated balance indicates the program was implemented in excess of the approved amount.

Current FY Columns:

*J. Amount Obligated in Current FY (Column J). Enter the amount of obligations occurring from the beginning of the current FY to the end of the reporting period. Obligation transactions include both obligations incurred and adjustments of prior year obligations.

*K. Amount Expended in Current FY (Column K). Enter the distribution of the gross disbursements (net of refunds) for the period from the beginning of the current FY to the end of the reporting period. Within a FY program, the difference between amounts distributed by subaccounts and total disbursements identifiable to that FY program shall be entered on the line "Undistributed Disbursements". Disbursements not immediately distributable by FY program or by subaccount in accounts without FY program subdivisions shall be entered on the line "Undistributed Disbursements" immediately before the total line for the appropriation account. For expired year accounts, unless specifically exempted by the OUSD(C), the direct and reimbursable programs are reported at the same level of detail as they were reported as unexpired accounts.

040508. Reconciliation of AR(M) 1002 with Base for Reprogramming Actions (DD Form 1414), Report of Programs (DD Form 1416), and Semiannual Audit Trail Report – Military Construction and Family Housing

A. Military Personnel and Operation and Maintenance Accounts

1. The DD Form 1414 is prepared annually directly after the DoD Appropriations Act is passed. The Base for Reprogramming column (normally the last column on the DD Form 1414 report) amounts must reconcile with the amounts in the AR(M) 1002 column B at the budget activity level. Undistributed congressional reductions, such as congressional general provision reductions, which are not spread on the DD Form 1414, must

also be displayed in columns [A](#) and [B](#) in Budget Activity 20 (Undistributed) on the AR(M) 1002 report.

2. The DD Form 1416 is prepared semiannually at the end of March and September. The last column of the DD Form 1416, currently called the “Total Revised Program,” must reconcile with column D of the AR(M) 1002 at the budget activity level.

B. Research Development and Procurement Accounts

1. The DD Form 1414 is prepared annually directly after the DoD Appropriations Act is passed. The Base for Reprogramming column (normally the last column on the DD Form 1414 report) amounts must reconcile with the amounts in the AR(M) 1002 column B at the P-1/R-1 line-item level. Undistributed congressional reductions, such as congressional general provision reductions, that are not spread on the DD Form 1414 must also be displayed in columns [A](#) and [B](#) in Budget Activity 20 on the AR(M) 1002 report.

2. The DD Form 1416 is prepared quarterly at the end of December, March, June, and September. The last column of the DD Form 1416, currently called the “Net Program,” must reconcile with column D of the AR(M) 1002 by P-1/R-1 line item.

C. Military Construction Accounts. The “Semiannual Audit Trail Report – Military Construction and Family Housing” report is prepared at the end of March and September. Column E of that report should reconcile with column D of the AR(M) 1002 by project.

040509. Special Instructions for Selected Accounts

A. Obligation Limitation for Annual Accounts. Each year, the general provisions of the DoD Appropriations Act require a certification that not more than 20 percent of the appropriations in that act, which are limited for obligation during the current FY, shall be obligated during the last 2 months of the FY, with the following exceptions:

1. Obligations for support of active duty training of Reserve Components or summer camp training of the Reserve Officers’ Training Corps.

2. The Foreign Military Financing (FMF) and International Military Education and Training (IMET) accounts for the Defense Security Cooperation Agency (DSCA) require a certification that not more than 15 percent of the appropriations in that act, which are limited for obligation during the current FY, are to be obligated during the last month of the FY. The DSCA will provide a certification in a manner similar to the certifications provided by the Military Departments and other DoD Components in subparagraph 040509.B, except that the certifications shall be on the August [AR\(M\) 1002](#), and the “85/15” rule shall be applied. The general provisions should be reviewed each year [to ensure there are no changes that might affect the certification.](#)

B. Certification. Each year, DoD Components must provide one of the following certifications, depending upon the level of obligations incurred, on the July [AR\(M\) 1002](#) for those annual appropriations to which the limitation applies:

1. This certification usually is referred to as the “80/20” criterion. In determining direct obligational authority, the amount of transfers in or out within the applicable DoD Appropriations Act shall be considered. Accordingly, if obligations are 80 percent or more of direct authority, the certification shall be as follows:

“I hereby certify that direct obligations have been incurred equal to or in excess of 80 percent of the funds subject to the congressional limitation on year-end spending.”

2. If obligations are less than 80 percent, then the certification shall be as follows:

“I hereby certify that action has been taken to assure that not more than 20 percent of the funds subject to the congressional limitation on year-end spending remain available for obligation during the remainder of the FY.”

0406 REPORTING OBLIGATION AND OUTLAY DATA

040601. Purpose

Obligation and outlay planning and execution data must be reported to OUSD(C)/(P/B) (P&FC). This data is a valuable assessment tool for monitoring the planned monthly execution of approved DoD programs.

A. The OUSD(C) updates requirements for planning data on an annual basis. Specific electronic and hardcopy report format requirements are updated on a yearly basis by memorandum to the Assistant Secretaries of the Military Departments (FM&C).

B. The OUSD(C) updates requirements for execution data on an annual basis. Specific electronic and hardcopy report format requirements are updated on a yearly basis by memorandum to DFAS.

C. Both obligation and outlay execution data [are](#) reported on the SF-133 reports. These reports, provided by DFAS to OUSD(C) and the Military Departments monthly, must be consistent with data reported [quarterly](#) to the Department of the Treasury [via](#) FACTS II. The monthly SF-133 reports are to be provided to OUSD(C)/(P/B)(P&FC) in electronic format. These reports are also to be made available [within](#) the DoD (DFAS-Intranet) with export capability to a generally used Windows-compatible spreadsheet application.

D. In addition, monthly outlay execution data (specifically the Statement of Transactions (SoT) reported to the Department of the Treasury) must be reported to OUSD(C)/(P/B) (P&FC) in electronic format at the same time it is reported to the Department of

the Treasury. The SoT format must be consistent with guidance contained in [OMB](#) Circular A-11, Part 4, “Instructions on Budget Execution” and Chapter 3 of this volume.

040602. Scope

Planning and execution data for obligations and outlays applies to DoD Components with respect to obligations incurred for all military functions, including obligations incurred in connection with related allocation and transfer appropriation accounts. This includes all DoD Military accounts as well as [related](#) receipt accounts.

Figure 1. FMS Form 2108: Year-End Closing Statement

FMS Form 2108
YEAR-END CLOSING STATEMENT

AGENCY _____

TREASURY TRIAL BALANCE					BORROWING AND CONTRACT AUTHORITY	Unobligated and Obligated Balance Withdrawn/Canceled (31 U.S.C. 1551-1557)	FUND RESOURCES	
Appropriation or Fund Symbol				Preclosing Unexpended Balance	Increases and Rescissions		Postclosing Unexpended Balance	
DEPT		FIS YR	NUMBER					SUB- NUMBER
REG	TR FROM							
(1)					(2) (code 00)	(3)	(4)	(5)

Figure 1. FMS Form 2108: Year-End Closing Statement (continued)

FUND RESOURCES			STATUS OF RESOURCES		
Other Authorizations	RECEIVABLES		UNPAID OBLIGATIONS		Unobligated Balance
	Reimbursements Earned and Refunds	Unfilled Customer Orders	Undelivered Orders and Contracts	Accounts Payable and Other Liabilities	
(6)	(7) (code 77)	(8) (code 76)	(9) (code 49)	(10) (code 40)	(11) (code 41)

*Figure 2. SF-133: Report on Budget Execution and Budgetary Resources

SF 133 Report on Budget Execution and Budgetary Resources - Revised							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
SCHEDULE OF BUDGETARY RESOURCES							
Unobligated balance:							
1000 Unobligated balance brought forward, October 1							
Nonexpenditure transfers of unobligated balance to or from other accounts:							
1010 Unobligated balance transferred to other accounts (-)							
1011 Unobligated balance transferred from other accounts							
1012 Expired unobligated balance transferred to unexpired accounts							
1013 Unexpired unobligated balance transferred to expired accounts (-)							
Adjustments to unobligated balance:							
1020 Adjustment of unobligated balance brought forward, October 1 (+ or -)							
1021 Recoveries of prior year unpaid obligations (unobligated balances)							
1022 Capital transfer of unobligated balances to general fund (-)							
1023 Unobligated balances applied to repay debt (-)							
1024 Unobligated balance of borrowing authority withdrawn (-)							
1025 Unobligated balance of contract authority withdrawn (-)							
1026 Adjustment in unobligated balances for change in allocation							
1027 Adj in unoblig bal for chg in invest of zero coupon bond (special & non-revol trust fund)							
1028 Adj in unobligated bal for chg. in investment of zero coupon bond (revolving							
1029 Unobligated balance withdrawn (-)							
1030 Adjustment to foreign exchange valuation for Exchange Stabilization Fund							
1031 Refund & recovery temp precluded fr oblig (special & trust fund)(unoblig bal)(-)							
Anticipated transfers and adjustments:							
1040 Anticipated nonexpenditure transfers of unobligated balances (+ or -)							
1041 Anticipated recoveries of prior-year unpaid obligations (unobligated bal)(+ or -)							
1042 Anticipated capital transfers and redemption of debt (unobligated balances)(-)							
1050 Unobligated balance, total							
Budget authority:							
Appropriations:							
Appropriations (disc.):							
1100 Appropriation (disc.)							
1101 Appropriation (special fund) (disc.)							
1102 Appropriation (trust fund) (disc.)							
1103 Appropriation available from subsequent year (disc.)							
1104 Appropriation available in prior year (disc.) (-)							
1105 Reappropriation (disc.)							
Nonexpenditure transfers of appropriations to or from other accounts (disc.):							
1120 Appropriations transferred to other accounts (disc.) (-)							
1121 Appropriations transferred from other accounts (disc.)							
Adjustments to appropriations (disc.):							
1130 Appropriations permanently reduced (disc.) (-)							
1131 Unobligated balance of appropriations permanently reduced (disc.) (-)							
1132 Appropriations temporarily reduced (disc.) (-)							
1133 Unobligated balance of appropriations temporarily reduced (disc.) (-)							
1134 Appropriations precluded from obligation (disc.) (-)							
1135 Appropriations applied to repay debt (disc.) (-)							
1136 Appropriations applied to deficiency by law (disc.) (-)							
1137 Appropriations applied to liquidate contract authority (disc.) (-)							
1138 Appropriations applied to liquidate contract authority withdrawn (disc.) (-)							
1139 Appropriations substituted for borrowing authority (disc.) (-)							
Anticipated appropriations (disc.):							
1150 Anticipated appropriation (disc.)							
1151 Anticipated nonexpenditure transfers of appropriations (disc.) (+ or -)							
1152 Anticipated capital transfers and redemptions of debt (appropriations) (disc.) (-)							
1160 Appropriation (disc.) (total)							
Advance appropriations (disc.):							
1170 Advance appropriation (disc.)							
1171 Advance appropriation (special fund) (disc.)							

*Figure 2. SF-133: Report on Budget Execution and Budgetary Resources (continued)

SF 133 Report on Budget Execution and Budgetary Resources - Revised							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
1172 Advance appropriation (trust fund) (disc.)							
Adjustments to advance appropriations (disc.):							
1173 Advance appropriations permanently reduced (disc.) (-)							
1174 Advance appropriations temporarily reduced (disc.) (-)							
1180 Advance appropriation (disc.) (total)							
Appropriations (mand.):							
1200 Appropriation (mand.)							
1201 Appropriation (special fund) (mand.)							
1202 Appropriation (trust fund) (mand.)							
1203 Appropriation (previously unavailable) (mand.)							
1204 Reappropriation (mand.)							
Nonexpenditure transfer of appropriations to or fr other accts (net) (mand.):							
1220 Appropriations transferred to other accounts (mand.) (-)							
1221 Appropriations transferred from other accounts (mand.)							
Adjustments to appropriations (mand.):							
1231 Appropriations permanently reduced (mand.) (-)							
1232 Unobligated balance of appropriations permanently reduced (mand.) (-)							
1233 Appropriations temporarily reduced (mand.) (-)							
1234 Unobligated balance of appropriations temporarily reduced (mand.) (-)							
1235 Appropriations precluded from obligation (mand.) (-)							
1236 Appropriations applied to repay debt (mand.) (-)							
1237 Appropriations applied to deficiency by law (mand.) (-)							
1238 Appropriations applied to liquidate contract authority (mand.) (-)							
1239 Appropriations substituted for borrowing authority (mand.) (-)							
Anticipated appropriations (mand.):							
1250 Anticipated appropriation (mand.)							
1251 Anticipated nonexpenditure transfers of appropriations (mand.) (+ or -)							
1252 Anticipated capital transfers and redemptions of debt (appropriations) (mand.) (-)							
1260 Appropriations (mand.) (total)							
Advance appropriations (mand.):							
1270 Advance appropriation (mand.)							
1271 Advance appropriation (trust fund) (mand.)							
Adjustments to advance appropriations (mand.):							
1272 Advance appropriations permanently reduced (mand.) (-)							
1273 Advance appropriations temporarily reduced (mand.) (-)							
1280 Advance appropriation (mand.) (total)							
Borrowing authority:							
Borrowing authority (disc.):							
1300 Borrowing authority (disc.)							
Adjustments to borrowing authority (disc.):							
1320 Borrowing authority permanently reduced (disc.) (-)							
Anticipated borrowing authority (disc.):							
1330 Anticipated reductions to current fiscal year borrowing authority (disc.) (-)							
1340 Borrowing authority (disc.) (total)							
Borrowing authority (mand.):							
1400 Borrowing authority (mand.)							
1401 Borrowing authority (12 USC 2281-96) (mand.)							
Adjustments to borrowing authority (mand.):							
1420 Borrowing authority permanently reduced (mand.) (-)							
1421 Borrowing authority applied to repay debt (-)							
Anticipated borrowing authority:							
1430 Anticipated reductions to current fiscal year borrowing authority (mand.) (-)							
1440 Borrowing authority (mand.) (total)							
Contract authority:							
Contract authority (disc.):							
1500 Contract authority (disc.)							
Nonexpenditure transfers of contract authority to or from other accounts							
1510 Contract authority transferred to other accounts (disc.) (-)							

*Figure 2. SF-133: Report on Budget Execution and Budgetary Resources (continued)

SF 133 Report on Budget Execution and Budgetary Resources - Revised							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
1511 Contract authority transferred from other accounts (disc.)							
Adjustments to contract authority (disc.):							
1520 Contract authority permanently reduced (disc.) (-)							
1521 Unobligated balance of contract authority permanently reduced (disc.) (-)							
1522 Contract authority precluded from obligation (limitation on obligations) (disc.) (-)							
Anticipated contract authority (disc.):							
1530 Anticipated nonexpenditure transfers of contract authority (disc.) (+ or -)							
1531 Anticipated adjustments to current year contract authority (disc.) (+ or -)							
1540 Contract authority (disc.) (total)							
Contract authority (mand.):							
1600 Contract authority (mand.)							
Nonexpenditure transfers of contract authority to or from other accounts							
1610 Contract authority transferred to other accounts (mand.) (-)							
1611 Contract authority transferred from other accounts (mand.)							
Adjustments to contract authority (mand.):							
1620 Contract authority permanently reduced (mand.) (-)							
1621 Unobligated balance of contract authority permanently reduced (mand.) (-)							
1622 Contract authority precluded from obligation (limitation on obligations) (mand.) (-)							
Anticipated contract authority (mand.):							
1630 Anticipated nonexpenditure transfers of contract authority (mand.) (+ or -)							
1631 Anticipated adjustments to current year contract authority (mand.) (+ or -)							
1640 Contract authority (mand.) (total)							
Spending authority from offsetting collections:							
Spending authority from offsetting collections (disc.):							
1700 Collected (disc.)							
1701 Change in uncollected customer payments from Federal sources (disc.) (+or -)							
1702 Offsetting collections (previously unavailable) (disc.)							
Nonexpend transfer of spending auth fr offsetting coll. to or fr other accts (disc.):							
1710 Spending authority fr offsetting collections transferred to other accts(disc.)(-)							
1711 Spending authority from offsetting collections transferred fr other accts (disc.)							
Adjustments to spending authority from offsetting collections (disc.):							
1720 Capital transfer of spending authority fr offsetting collections to GF (disc.) (-)							
1721 Spending authority fr offsetting collections applied to deficiency by law(disc.)(-)							
1722 Spending authority from offsetting collections permanently reduced (disc.) (-)							
1723 Spending authority from offsetting collections temporarily reduced (disc.) (-)							
1724 Unobligated bal of spending auth fr offsetting coll temp reduced(disc.)(-)							
1725 Spending auth fr offsetting coll precluded fr obligation(limit. on oblig)(disc.)(-)							
1726 Spending authority from offsetting collections applied to repay debt (disc.) (-)							
1727 Spending auth. fr offsetting collection applied to liquidate contract auth.(disc.)(-)							
1728 Spending auth. fr offsetting collection substituted for borrowing auth.(disc.)(-)							
Anticipated spending authority from offsetting collections (disc.):							
1740 Anticipated collections, reimbursements, and other income (disc.)							
1741 Anticipated nonexpend transfer of spending auth fr offsetting coll (disc.) (+ or -)							
1742 Anticipated capital trsf&redemption of debt(spending auth fr offsetting coll)(disc.)(-)							
1750 Spending authority from offsetting collections (disc.) (total)							
Spending authority from offsetting collections (mand.):							
1800 Collected (mand.)							
1801 Change in uncollected customer payments from Federal sources (mand.) (+or -)							
1802 Offsetting collections (previously unavailable) (mand.)							
Nonexpend transfer of spending auth fr offsetting coll to or fr other accts(mand.):							
1810 Spending authority fr offsetting collections transferred to other accts (mand.) (-)							
1811 Spending authority fr offsetting collections transferred to other accts (mand.)							
Adjustments to spending authority from offsetting collections (mand.):							
1820 Capital transfer of spending authority fr offsetting collections to GF(mand.)(-)							
1821 Spending authority fr offsetting collections applied to deficiency by law(mand.)(-)							

*Figure 2. SF-133: Report on Budget Execution and Budgetary Resources (continued)

SF 133 Report on Budget Execution and Budgetary Resources - Revised							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
1822 Spending authority from offsetting collections temporarily reduced (mand.) (-)							
1823 Unobligated bal of spending auth fr offsetting coll temp. reduced(mand.)(-)							
1824 Spending auth fr offsetting coll precluded fr obligation(limit on oblig)(mand.)(-)							
1825 Spending authority from offsetting collections applied to repay debt (mand.) (-)							
1826 Spending auth. fr offsetting coll. applied to liquidate contract auth.(mand.)(-)							
1827 Spending auth. fr offsetting coll. substituted for borrowing auth. (mand.)(-)							
1840 Anticipated collections, reimbursements, and other income (mand.)							
1841 Anticipated nonexpend transfer of spending auth fr offsetting coll. (mand.) (+ or -)							
1842 Anticipated capital trsf&redemption of debt(spending auth fr offset coll (mand.)(-)							
1850 Spending authority from offsetting collections (mand.) (total)							
1900 Budget authority total (disc. and mand.)							
1901 Adjustment for budgetary resources applied to liquidate deficiencies (-)							
1910 Total budgetary resources (disc. and mand.) [use for SF 133]							
1930 Total budgetary resources available							
STATUS OF BUDGETARY RESOURCES							
Obligations incurred:							
Direct:							
2001 Category A (by quarter)							
2002 Category B (by project)							
2003 Exempt from apportionment							
2004 Direct obligations (total)							
Reimbursable:							
2101 Category A (by quarter)							
2102 Category B (by project)							
2103 Exempt from apportionment							
2104 Reimbursable obligations (total)							
Unobligated balance							
Apportioned							
2201 Available in the current period							
2202 Available in subsequent periods							
2203 Anticipated							
Exempt from apportionment							
2301 Available in the current period							
2302 Available in subsequent periods							
2303 Anticipated							
Unapportioned							
2401 Deferred							
2402 Withheld pending rescission							
2403 Other							
2500 Total budgetary resources							
Memorandum entries:							
2501 Subject to apportionment							
2502 Exempt from apportionment							
CHANGE IN OBLIGATED BALANCE							
Unpaid obligations, start of year:							
3000 Unpaid obligations, brought forward, October 1 (gross)							
3001 Adjustments to unpaid obligations, brought forward, October 1 (+ or -)							
Uncollected customer payments from Federal sources, start of year:							
3010 Uncollected customer payments, brought forward, Oct 1 (-)							
3011 Adj to uncollected customer payments, brought forward, October 1 (+ or -)							
3020 Obligated balance, start of year (net)							
Changes in obligated balance during the year:							
Obligations incurred (gross):							
3030 Unexpired accounts							
3031 Expired accounts							
3040 Outlays (gross) (-)							
Change in uncollected customer payments from Federal sources:							

*Figure 2. SF-133: Report on Budget Execution and Budgetary Resources (continued)

SF 133 Report on Budget Execution and Budgetary Resources - Revised							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
3050 Unexpired accounts (+ or -)							
3051 Expired accounts (+ or -)							
Nonexpenditure transfers of obligated balance to or from other accounts:							
Unpaid obligations transferred to or from other accounts:							
3060 Unpaid obligations transferred to other accounts (-)							
3061 Unpaid obligations transferred from other accounts							
Uncollected customer payments fr Fed sources transferred to or fr other							
3070 Uncollected customer payments from Federal sources transferred to other							
3071 Uncollected customer payments fr Fed sources transferred fr other acct (-)							
Recoveries of prior year unpaid obligations:							
3080 Unexpired accounts (-)							
3081 Expired accounts (-)							
Obligated balance, end of year (net):							
3090 Unpaid obligations, end of year (gross)							
3091 Uncollected customer payments from Federal sources, end of year (-)							
3100 Obligated balance, end of year (net)							
BUDGET AUTHORITY AND OUTLAYS, NET							
Discretionary budget authority, outlays, and offsets:							
Budget authority, gross (disc.)							
4000 Budget authority, gross (disc.)							
Outlays, gross (disc.)							
4010 Outlays from new discretionary authority							
4011 Outlays from discretionary balances							
4020 Total outlays, gross (disc.)							
Offsets (disc.):							
Offsets against gross budget authority and outlays (disc.):							
Offsetting collections from:							
4030 Federal sources (disc.)							
4031 Interest on Federal securities (disc.)							
4032 Interest on uninvested funds (disc.)							
4033 Non-Federal sources (disc.)							
4034 Offsetting governmental collections (from non-Federal sources) (disc.)							
4040 Offsets against gross budget authority and outlays (disc.) (total)							
4050 Change in uncollected cust. payments fr Fed sources (unexpired)(disc.)(+ or -)							
4051 Change in uncollected cust. payments fr Fed sources (expired)(disc.)(+ or -)							
4052 Offsetting collections credited to expired accounts							
4053 Anticipated offsetting collections (disc.)							
4060 Additional offsets against budget authority only (disc.)(total)							
4070 Budget authority, net (disc.)							
4080 Outlays, net (disc.)							
Mandatory budget authority, outlays, and offsets:							
Budget authority, gross (mand.)							
4090 Budget authority, gross (mand.)							
Outlays, gross (mand.)							
4100 Outlays from new mandatory authority							
4101 Outlays from mandatory balances							
4110 Total outlays, gross (mand.)							
Offsets (mand.):							
Offsets against gross budget authority and outlays (mand.):							
Offsetting collections from:							
4120 Federal sources (mand.)							
4121 Interest on Federal securities (mand.)							
4122 Interest on uninvested funds (mand.)							
4123 Non-Federal sources (mand.)							
4124 Offsetting governmental collections (from non-Federal sources) (mand.)							
4130 Offsets against gross budget authority and outlays (mand.) (total)							
Additional offsets against gross budget authority only (mand.):							
4140 Change in uncollected cust. payments fr Fed source (unexpired) (mand.) (+ or -)							

*Figure 2. SF-133: Report on Budget Execution and Budgetary Resources (continued)

SF 133 Report on Budget Execution and Budgetary Resources - Revised							
Month/Year	Certified						
Agency:							
Appropriation Title and Symbol:	FY	FY (-1)	FY (-2)	FY (-3)	FY (-4)	FY (-5)	Total
4141 Change in uncollected cust. payments fr Fed source (expired) (mand.) (+ or -)							
4142 Offsetting collections credited to expired accounts							
4143 Anticipated offsetting collections (mand.)							
4150 Additional offsets against budget authority only (mand.) (total)							
4160 Budget authority, net (mand.)							
4170 Outlays, net (mand.)							
Budget authority and outlays, net (disc. and mand.)							
4180 Budget authority, net (disc. and mand.)							
4190 Outlays, net (disc. and mand.)							
SCHEDULE OF UNFUNDED DEFICIENCIES							
7000 Unfunded deficiency, start of year (-)							
Change in deficiency during the year:							
7010 New deficiency (-)							
7011 Appropriations available only to liquidate deficiencies							
7012 Available budgetary resources used to liquidate deficiencies							
7020 Unfunded deficiency, end of year (-)							

*Figure 3. AR(M) 725: Report on Reimbursements

Security Classification			PERIOD ENDING:						
REPORT ON REIMBURSEMENTS (In Thousands)			Month / Year				APPROPRIATION:		
DOD COMPONENT:							"Appropriation Title"		
			New Orders and Reimbursements						
	Balance as of "month"		Reimbursements					Balance as of EOP	
DESCRIPTION	Reimbursements Receivable	Unfilled Cust Orders w/o Advance	Total Anticip	Earned	Changes in Unfilled Customer Orders	Anticipated Orders for Rest of Year	Reimbursements Collected	Reimbursements Receivable	Unfilled Cust Orders w/o Advance
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
FEDERAL SOURCES									
REIMBURSEMENTS									
UNDISTRIBUTED									
UNEARNED REVENUE									
FEDERAL TOTAL									
NON-FEDERAL SOURCES									
REIMBURSEMENTS									
UNDISTRIBUTED									
UNEARNED REVENUE									
NON-FEDERAL TOTAL									
GRAND TOTAL									

**VOLUME 6A, CHAPTER 6: “GOVERNMENTWIDE FINANCIAL REPORT
SYSTEM AND FEDERAL AGENCIES’ CENTRALIZED TRIAL-BALANCE SYSTEM
REPORTING”**

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue and underlined font***](#).

The previous version dated Feb 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Reworded and reformatted chapter for clarity. Revised references and added electronic links.	Update
060102 B	Adds notice of Treasury FMS launch of Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS).	Add
060202	Adds clarifying language to distinguish between verifying and nonverifying agencies.	Add
060203	Provided clarification on the purpose of Closing Package information.	Add

Table of Contents**VOLUME 6A, CHAPTER 6: “GOVERNMENTWIDE FINANCIAL REPORT SYSTEM AND
FEDERAL AGENCIES’ CENTRALIZED TRIAL-BALANCE SYSTEM REPORTING” 1**

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CHAPTER 6

**GOVERNMENTWIDE FINANCIAL REPORT SYSTEM AND FEDERAL AGENCIES'
CENTRALIZED TRIAL-BALANCE SYSTEM REPORTING**

0601 OVERVIEW

060101. Purpose

This chapter prescribes the policy for the submission of financial data through the Governmentwide Financial Report System ([GFRS](#)) and the Federal Agencies' Centralized Trial-Balance System ([FACTS I](#)). These systems are integral parts of the Department of Defense (DoD) annual financial statement reporting process. This chapter addresses the basic reporting requirements and identifies specific requirements for the GFRS and the FACTS I data verification process detailed in Volume I of the Treasury Financial Manual ([TFM](#)), Part 2, Chapter 4700 (TFM 2-4700), "Agency Reporting Requirements for the Financial Report of the United States Government" ([FR](#)).

*060102. General

GFRS and FACTS I are systems administered and maintained by the Department of the Treasury's Financial Management Service (Treasury FMS) to facilitate the preparation and consolidation of the FR.

A. [GFRS](#). A reporting system that captures closing package information at the DoD Agency-wide level and links the agencies' comparative, audited consolidated, department-level financial statements to the FR.

B. [FACTS I](#). A reporting system that collects DoD Component level (identified in Table 6-1) pre-closing adjusted trial balances (ATB) at the Treasury appropriation/fund group level using proprietary United States Standard General Ledger ([USSGL](#)) accounts. Budget execution and resource data is reported through FACTS II, which is separate and distinct from FACTS I and is addressed in Volume 6A, Chapter 4. Volume 6B addresses the form and content of DoD audited financial statements. [The Treasury FMS plans to launch the Governmentwide Treasury Account Symbol Adjusted Trial Balance System \(\[GTAS\]\(#\)\) in December 2013 for fiscal year 2014 reporting. GTAS will merge the functionality of several current systems to include FACTS I and FACTS II. Agencies and users who currently report using FACTS I and FACTS II will begin using GTAS.](#)

C. [FR](#). The FR presents and discusses the Federal Government's financial position and condition, its revenues and costs, assets and liabilities, and other responsibilities and commitments. The Report also includes consolidated financial statements and related disclosures, as well as reports on stewardship responsibilities.

0602 POLICY

060201. Treasury FMS and DoD Audited Financial Statements Reporting and Analysis (DoD AFS R&A) Guidance

TFM 2-4700 provides specific reporting requirements, due dates, and definitions of terms, and describes how agencies provide data for the FR using GFRS and FACTS I. [DoD AFS R&A](#) Financial Reporting Guidance, (Annual and Quarterly Guidance) provides reporting requirements in addition to the quarterly and year-end schedules.

*060202. Submission and Verification of Data

DoD reporting entities will: comply with Treasury FMS (GFRS at the DoD Agency-wide level and FACTS I at the DoD Component level) reporting requirements for the reconciliation and confirmation of balances, ensure that submitted data is timely and reliable, and verify that due dates are met according to TFM 2-4700, DoD AFS R&A Financial Reporting Guidance, and this chapter, for both verifying and nonverifying agencies. Verifying agencies are required to verify and submit a closing package and provide Chief Financial Officer (CFO) representations for Federal intragovernmental activity and balances. A list of verifying agencies is provided in Figure 1 of TFM 2-4700. A nonverifying agency is any agency not listed in Figure 1. Nonverifying agencies will submit FACTS I ATB data and complete GFRS FR Notes and other FR data. The Security Assistance reporting entity shall provide both GFRS and FACTS I submissions as a nonverifying agency.

*060203. VOL I TFM 2-4700 Reporting Requirements

A. Closing Package Requirements. The Closing Package is a prescribed format of financial statements needed to prepare the FR. DoD Agency-wide must provide Treasury FMS with required fiscal year-end data that will be used to prepare the FR. DoD must prepare and submit their financial data using the Closing Package process via GFRS at the department-level. The closing package is a designed methodology used to link agencies' comparative, audited consolidated, department-level financial statements to the FR.

B. Intragovernmental Requirements. DoD reporting entities will comply with the Treasury FMS requirements for the reconciliation and confirmation of intragovernmental balances. Detailed guidance for accounting and reconciling intragovernmental balances is found in [TFM Bulletin No. 2013-04](#), and Volume 6B, Chapter 13.

C. FACTS I Requirements. DoD Components and the offices responsible for the preparation and submission of FACTS I ATBs, listed in Table 6-1, will make sure that timely and reliable FACTS I data is prepared and electronically submitted to the Treasury FMS. Treasury FMS will collect ATB data to aid in its analytical process. ATB data should link directly to the agencies' comparative, audited consolidated, department-level financial statements. ATB data from verifying agencies are tools to facilitate the Closing Package, are not subject to coverage in the audit requirements of the Closing Package, and are not used to prepare the FR.

Table 6-1 DoD Reporting Entities Required to Submit ATBs

DoD Reporting Entity	Treasury Index (T.I.)	Budget Functional Classification	Responsible Office for FACTS I Submission to the Treasury FMS
Security Assistance	T.I. 11	152	DFAS-Indianapolis
Department of the Navy*	T.I. 17	051	DFAS-Cleveland
Department of the Army	T.I. 21	051	DFAS-Indianapolis
Department of the Air Force	T.I. 57	051	DFAS-Columbus
U.S. Army Corps of Engineers (USACE)	T.I. 96	301/304	USACE Finance Center
Department of Defense	T.I. 97	051	
Defense Working Capital Fund, Army	T.I. 97X4930.001	051	DFAS-Columbus
Defense Working Capital Fund, Navy*	T.I. 97X4930.002	051	DFAS-Cleveland
Defense Working Capital Fund, Air Force	T.I. 97X4930.003	051	DFAS-Columbus
Defense Working Capital Fund, Defense Commissary	T.I. 97X4930.004	051	DFAS-Indianapolis
Defense Working Capital Fund, Defense Agencies	T.I. 97X4930.005	051	DFAS-Indianapolis
Other Defense Organizations General Funds	T.I. 97 all other	051	DFAS-Indianapolis
Medicare Eligible Retiree Health Care Fund	T.I. 97X5472	551	DFAS-Indianapolis
Military Retirement Trust Fund	T.I. 97X8097	602	DFAS-Indianapolis
*includes U.S. Marine Corps			

VOLUME 6A, CHAPTER 7: “FOREIGN CURRENCY REPORTS”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by *blue font*.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font***.

The previous version dated Feb 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
070103C	Clarified the term “Budget Rate.”	Update
070104	Updated references, added hyperlink.	Update
070105	Updated references.	Update
070202	Clarified applicability of Foreign Currency Fluctuation (FCF) guidance. Added hyperlinks.	Update
Various	Updated wording for clarity.	Update

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CHAPTER 7

FOREIGN CURRENCY REPORTS

*0701 OVERVIEW

070101. Purpose

This chapter establishes reporting requirements for tracking all transactions that increase or decrease the foreign currency fluctuations accounts. Foreign Currency Fluctuations, Defense (FCF, D) and Foreign Currency Fluctuations, Construction, Defense (FCF, C, D) appropriations were established by Congress to reduce the adverse impact of foreign currency fluctuation losses on the Department of Defense's operating budget.

070102. Scope

The provisions of this chapter apply to all Department of Defense (DoD) Components unless a specific [written](#) exception has been granted by the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)).

070103. Definitions

A. Foreign Currency Unliquidated Obligations. Unpaid obligations that are recorded in the accounting records at the budget rate of the foreign currency cited within the obligating document. These "unpaid" obligations represent a key component of the monthly reporting process and are required to compute the "accrued variance."

B. Foreign Currency Liquidated Obligations. Paid obligations that are "liquidated" in the accounting records at the budget rate of the foreign currency cited within the obligating document. These liquidated obligations represent a key component of the monthly reporting process and are required to compute the "realized variance."

C. Budget Rate. [OUSD\(C\)](#) published foreign currency exchange rates that must be used during formulation, preparation, and submission of DoD's operating budgets. These published "budget" rates shall also be used as the basis for recording budgetary obligations that are associated with approved overseas programs into the accounting records of DoD. ["Internal" or unapproved exchange rates may not be used on official accounting or disbursing records.](#)

D. Accrued Variance. Difference between the value of unliquidated obligations recorded at the budget rate and the value of those same unliquidated obligations calculated at the current foreign currency exchange rate. The computed [accrued](#) variance provides DoD decision makers a monthly estimate of the funding that would be necessary to absorb the "net losses" that would be "realized" if payment had to be made as of the report date.

E. Realized Variance. Calculated difference between obligations recorded at the budget rate and liquidated at the foreign currency exchange rate in effect at the time of

payment. When the budget rate used in recording the original obligation is less than the current exchange rate, the realized variance (loss) must be disbursed from the applicable Centrally Managed Allotment (CMA). When the budget rate used in recording the original obligation is more than the current foreign currency exchange rate, the realized variance (gain) is collected into the applicable CMA.

F. Centrally Managed Allotment (CMA). Used by DoD to manage budgetary authority provided by the Foreign Currency Fluctuation appropriations. CMAs provide DoD Components the internal control structure required to account for all transfers, expenditures, and collections resulting from the effects of foreign currency fluctuations.

070104 Foreign Currency Fluctuations, Defense (FCF, D)

In fiscal year (FY) 1979, Congress authorized an appropriation to facilitate the transfer of funds to (and from) DoD operating appropriations to cover significant losses from foreign exchange rate fluctuations. Significant net gains from foreign currency exchange rate fluctuations also shall be transferred to this account, entitled “Foreign Currency Fluctuations, Defense (FCF, D),” Department of the Treasury Account Symbol (TAS) 97X0801. The purpose of the appropriation is to alleviate the adverse effect of significant fluctuations in the specified currency exchange rates on authorized DoD programs funded by Operation & Maintenance (O&M) and Military Personnel (MilPers) appropriations. The following statutes provide authority for the FCF, D appropriation:

A. The “DoD Appropriation Act, 1979” established the FCF, D appropriation.

B. Title 10, United States Code (U.S.C.), section 2779(a) allows previously transferred FCF, D funds to be transferred back to the FCF, D appropriation so long as the transfer is made not later than the end of the second fiscal year after the fiscal year that the appropriation to which the funds were originally transferred is available for obligation. This is allowed only if the funds are not needed to finance increased obligations due to fluctuations in currency exchange rates because of subsequent favorable fluctuations in currency exchange rates or because other funds are, or become, available to finance these cost increases.

C. Title 10, U.S.C., section 2779(d) permits O&M and MilPers unobligated balances to be transferred to the FCF, D appropriation, so long as the transfers are made not later than the end of the second fiscal year following the fiscal year for which the appropriation is provided. This provision limits the use of this authority so that the amount in the FCF, D appropriation does not exceed \$970.0 million at the time the unobligated balance transfer is made.

070105. Foreign Currency Fluctuations, Construction, Defense (FCF, C, D)

In FY 1987, Congress enacted the current authority for a foreign currency fluctuations account to protect DoD Military Construction, Family Housing, and NATO infrastructure programs from substantial gains or losses resulting from foreign currency fluctuations. The title of this appropriation is the “Foreign Currency Fluctuations, Construction, Defense (FCF, C, D),” Department of the Treasury Account Symbol 97X0803.

A. The FCF, C, D account was initially capitalized by transferring unobligated balances from the family housing and military construction appropriations. Pursuant to authority conferred by recurring annual Military Construction Appropriations Act general provisions, unobligated balances from family housing and military construction appropriation accounts may be transferred into the FCF, C, D account during the 5-year period after the appropriations expire for original obligation purposes.

B. All amounts transferred from this appropriation to other appropriations available for construction shall be approved specifically by OUSD(C).

070106. Standards

A. The foreign currency appropriations (FCF, D and FCF, C, D) are used solely to offset losses sustained because of unfavorable foreign currency fluctuations realized upon payment for goods and services in local currency. The appropriations are not available to finance cost increases resulting from changes in the scope of programs, inflation increases, or other such changes, nor shall they be used to finance Prompt Payment Act interest payments. Other important provisions of the foreign currency fluctuations appropriations relate to obligation/expenditure limitations and financial accounting procedures relative to foreign currency exchange fluctuations.

1. Authorizations or limitations now or hereafter contained within appropriations or other provisions of law limiting the amounts that may be obligated or expended shall be increased to the extent necessary to reflect fluctuations in foreign currency exchange rates from those used in preparing the applicable budget submission.

2. Contracts or other obligations entered into that are payable in foreign currencies may be recorded as obligations based on currency exchange rates used in preparing budget submissions, as amended by Congress, and adjustments to reflect fluctuations in such rates shall be recorded as disbursements are made.

B. Funds transferred from the foreign currency fluctuations appropriations shall be available only for funding CMAs that are to be established in the applicable operations and maintenance, construction, family housing, or NATO infrastructure appropriations to cover losses (or gains) in direct programs due to fluctuations in foreign exchange rates. These transfers shall be based on need, funds available to cover such losses DoD-wide, and other budgetary considerations. Consequently, such losses may not be fully funded.

C. The DoD components shall record foreign currency obligations at the installation level in dollars, at the budgeted rate or at the congressionally established budget exchange rate for direct program of affected appropriations as reflected in applicable committee reports or the appropriate appropriation acts.

1. OUSD(C) shall provide these rates to the DoD Components.

2. Foreign currency obligations are those obligations that either are payable in specified foreign currency or payable in dollars, the amount of which is determined by the rate of exchange.

3. When payment is made, the disbursing officer shall either charge or credit the variance between the budget rate and the current rate directly to the applicable CMA. For example, a military construction project was included in the FY 2007 President's Budget. Funds for the project were obligated in FY 2008 using FY 2007 funds, and all of the project expenditures were disbursed in FY 2009. In this example, the obligations shall be recorded in the accounting records using the FY 2007 budgeted rates. There would be no effect on the military construction foreign currency CMA prior to FY 2009 since no disbursements were made until FY 2009. The foreign currency reports in each of those years, however, would identify accrued variances, i.e., the differences between the project obligations carried at the FY 2007 budgeted rate and the project obligations valued at the current exchange rate. This accrued variance is used to identify the projected disbursement requirements of the component CMA. The realized foreign currency variance would be recorded against the military construction foreign currency CMA for FY 2009 at the time of the actual disbursements.

D. The central accounting activity supporting each affected component shall determine the total foreign currency unliquidated obligations at the budget exchange rate [provided by OUSD\(C\)](#) for each appropriation. [Identify](#) and accumulate [both favorable and unfavorable variances](#). Determine the ["accrued variance"](#) at the end of each month based on the difference between unliquidated obligations at the budget rate and unliquidated obligations at the current rate, using the exchange rate on the last day of the month. The accrued variance shall never be obligated in the official accounting documents.

E. [Each](#) DoD Component holding a CMA is responsible [to](#) establish internal controls and [to](#) carefully monitor funds availability at all times, [as](#) Antideficiency Act provisions apply to each CMA. [Establish controls to](#) ensure that sufficient funds within the appropriation's availability are reserved to finance projected disbursement requirements [for the CMA](#). For family housing and construction, a 6-month requirement is recommended. Should CMA funding availability drop below that level, [take](#) immediate action to avoid overobligation. Such action shall include providing additional funds from current accounts and, if necessary, advising all disbursing officers to cease payments from the CMA without prior certification until funding is obtained. In no case shall any action be taken that presumes relief through a transfer of funds from the foreign currency fluctuations appropriations, owing to the limited capital available in these accounts.

F. OUSD(C) publishes lists of specific currencies in the foreign currency fluctuations program and associated exchange rates. Currencies may be added and deleted by OUSD(C) as conditions warrant. A report containing the list of currencies, the applicable budget rate, and the current period adjusting rate can be found by visiting the [OUSD\(C\) FCF site](#).

0702 REPORTING PROCEDURES

070201. Appropriation Transfers

OUSD(C) manages the FCF, D and FCF, C, D appropriations and instructs the Defense Finance and Accounting Service (DFAS) Departmental Reporting Directorate-Indianapolis on the amount of the funds to be transferred to and from the applicable appropriations. DFAS-Indianapolis transfers the designated amounts by means of a Nonexpenditure Transfer Authorization (SF 1151).

*070202. General Reporting Guidance

A. Other than calculating the monthly accrued variance described in paragraph 070106.D of this chapter, no further adjustment to the original obligation is necessary until disbursement is made or until the appropriation is closed.

B. Foreign currency fluctuation procedures described in this chapter do not apply to reimbursable programs. The performing activity shall continue to accept reimbursable orders, incur obligations, and bill for reimbursement at the current foreign currency exchange rate using the procedures found in Volume 3, Chapter 9 and Volume 11A, Chapter 1. However, when the performing activity and the benefiting activity are DoD organizations, the performing activity shall notify the benefiting activity of the amounts obligated that are to be paid in foreign currency. The benefiting activity shall record that portion of its obligation for direct programs at the budget rate in the manner prescribed in subparagraph 070106.C of this chapter. The realized variance determined at the time of the disbursement shall be recorded in the respective CMA of the benefiting activity.

C. Normal operating budgets or other funding documents issued for the affected appropriations by DoD Components shall not be adjusted for foreign currency exchange rate fluctuations.

D. Prior to closing the [financial records](#) at year-end, each component holding a CMA shall review the status of that account. Net gains in a CMA shall be promptly transferred to the applicable foreign currency fluctuations appropriation. Components shall also determine the portion of the losses that can be absorbed by the CMA and transfer to the foreign currency fluctuations appropriation account any balances that are not required.

E. [Foreign currency fluctuation procedures described in this chapter do not apply to Gains and Deficiencies on Exchange Transactions \(TAS 6763\). Volume 5, Chapter 4 provides guidance regarding deficiencies. See Volume 5, Chapter 13 for guidance regarding gains and losses by revaluation.](#)

F. [Foreign currency fluctuation procedures described in this chapter do not apply to Burdensharing funds received from other countries. See Volume 12, Chapter 24 for guidance regarding Burdensharing funds.](#)

0703 REPORTING FORMATS

070301. DD-COMP (M) 1506 – Foreign Currency Fluctuations, Defense Report (O&M)

A. DFAS-Indianapolis is responsible for submitting the consolidated monthly report to the Office of the Deputy Comptroller (Program/Budget) (ODC (P/B)), OUSD(C).

B. The central accounting activities, National Security Agency (NSA), DoD Dependent Schools (DoDDS), and Defense Security Cooperation Agency (DSCA) shall provide a monthly report to the DFAS Departmental Reporting Directorate-Indianapolis using the format in Figure 7-1.

1. Submit the report in accordance with due dates established by DFAS-Indianapolis and consistent with the requirements of OUSD(C).

2. The report shall include the following:

a. Column 1 – Country. Alphabetically list the specified country.

b. Column 2 – Monetary Unit. Enter the monetary unit of the country.

c. Column 3 – Foreign Currency Unliquidated Obligations. Enter the dollar amount of unliquidated obligations at the budget rate. Derive this amount by taking the obligations incurred at the budget rate less the disbursements at the budget rate.

d. Column 4 – Accrued Variance. Enter the accrued variance for the unliquidated obligations shown in column 3. This amount may change from month to month as the current foreign currency exchange rate changes and/or as the amount of unliquidated obligations changes.

e. Column 5 – Realized Variance. Enter the actual dollar amount of the variance resulting from liquidated obligations to date. This amount represents the variance (difference) between obligations at the budget rate and the amount actually disbursed.

f. Column 6 – Foreign Currency Obligations Incurred. Enter the dollar amount of total obligations incurred to date at the budget rate. Compute this amount from actual accounting data of obligations incurred at the budget rate. It will not be a derived number.

g. Column 7 – Planned Overseas Program. The planned overseas program for execution at the budget rate should agree with the current year (CY) column of the PB-18 exhibit. That exhibit is required by Volume 2B, Chapter 19 to support the President's budget request for the budget year. Any increases or decreases to the planned

overseas program during the execution of the CY shall be explained by country in the monthly report.

3. The report shall also include footnotes showing:

a. The total funding provided to the CMA by source.

(1) Transfers from the FCF, D appropriation

(2) Transfers from the component's O&M availability

(3) Total CMA funding.

b. The anticipated gains or losses for the remainder of the fiscal year. **Estimate** the anticipated gains or losses on projected disbursements to the end of the year by computing the variance that would occur if the current foreign currency exchange rates were to remain in effect during the remainder of the year.

c. Transfers to FCF, D due to favorable realized variances.

d. Projected liquidations (budget rate) for the fiscal year. Estimate the obligations (budget rate) that will be disbursed during the fiscal year.

e. **An** explanation of deviations from planned overseas program by country. **This** is required when significant variances from the "obligations incurred" column exist. This explanation can occur any time prior to the canceling of funds.

070302. Foreign Currency Fluctuations, Defense Report (MilPers)

A. Foreign currency rate variances increase or decrease the value of allowances paid to service members. To maintain the value of that portion of allowances members receive to purchase foreign currency, allowances are adjusted to offset increases or decreases in foreign currency rates. For purposes of FCF, D transfers, the calculated effect on military personnel disbursements that result from changes in foreign currency rates (foreign currency variance) is the difference in dollars required for the allowance at budget exchange rates and the current allowance rates. However, FCF, D transfers are approved only for Cost of Living Allowances (COLA) and Overseas Housing Allowances (OHA).

B. DFAS Departmental Reporting Directorate-Indianapolis is responsible for submitting this consolidated monthly report to the ODC (P/B), OUSD(C).

C. The process for identifying the foreign currency impact on COLA and OHA is as follows:

1. Total expenditures shall be identified by the Military Departments for COLA and OHA by officer and enlisted for the country currencies included in the FCF, D account.

2. The Per Diem, Travel, and Transportation Allowance Committee (PDTATAC) shall report, to the DFAS central accounting activities, the appropriate COLA and OHA index based on current exchange rates. For FCF, D, the PDTATAC shall also report COLA and OHA indices based on the budget exchange rates.

3. The DFAS central accounting activities shall access affected personnel pay accounts and identify the COLA and OHA disbursements, by officer and enlisted, according to designated location codes.

4. The DFAS central accounting activities shall calculate the foreign currency impact by estimating the differences between budget exchange rates and current exchange rates applied to the total expenditures for COLA and OHA.

5. Foreign currency amounts shall be consolidated and the remaining expenditures identified for the end-of-month recorded disbursements.

D. COLA foreign currency report format structure:

1. Service
2. Country (FCF, D country)
3. Budget Rate
4. COLA Rate
5. COLA Code
6. COLA Code Change Indicator
7. Budget Index
8. Allowance Index
9. COLA Factor
10. Actual COLA Enlisted Disbursement
11. Budgeted COLA Enlisted Amount Military Personnel
appropriation
12. COLA Realized Variance Enlisted

13. Actual COLA Officer Disbursement
 14. Budgeted COLA Officer Amount Military Personnel appropriation
 15. COLA Realized Variance Officer
 16. Actual COLA Officer/Enlisted Disbursement Total
 17. Budgeted COLA Officer/Enlisted Amount Military Personnel appropriation Total
 18. COLA Realized Variance Officer/Enlisted Total.
- E. OHA foreign currency report format structure:
1. Service
 2. Country (FCF, D country)
 3. Budget Rate
 4. OHA Rate
 5. OHA Factor
 6. Actual OHA Enlisted Disbursement
 7. Budgeted OHA Enlisted Amount Military Personnel appropriation
 8. OHA Realized Variance Enlisted
 9. Actual OHA Officer Disbursement
 10. Budgeted OHA Officer Amount Military Personnel appropriation
 11. OHA Realized Variance Officer
 12. Actual OHA Officer/Enlisted Disbursement Total
 13. Budgeted OHA Officer/Enlisted Amount Military Personnel appropriation Total
 14. OHA Realized Variance Officer/Enlisted Total.

F. The following information is reported by PDTATAC and is used to prepare the monthly COLA and OHA foreign currency execution report:

1. Column A – Country. Lists the budget countries subject to FCF, D procedures.
2. Column B – Budget Rate. Fiscal year budget exchange rates as set by OUSD(C).
3. Column C – COLA Rate. Current market exchange rate upon which both COLA and OHA are set (allowance rate).
4. Column D – COLA Code. For countries with multiple COLAs, many locations are linked and receive the same index. This code identifies which locations are linked for COLA purposes.
5. Column E – COLA Code Change Identifier. Identifies whether a change has been made this period to the COLA Code.
6. Column F – Budget Index. COLA index based on budget rate.
7. Column G – Allowance Index. COLA index based on allowance rate.
8. Column H – COLA Factor. Multiplication factor for COLA disbursements based on budget and allowance indices.
9. Column I – OHA Factor. Budget rate minus the OHA rate divided by OHA rate.

070303. DD-COMP (M) 1761 – Foreign Currency Fluctuations, Construction, Defense (FCF, C, D) Report

A. DFAS-Indianapolis is responsible for submitting this consolidated monthly report to ODC (P/B), OUSD(C).

B. The central accounting activities, NSA, and DoDDS shall provide a monthly report to the DFAS Departmental Reporting Directorate-Indianapolis using the format in Figure 7-2.

1. Submit the reports in accordance with due dates established by DFAS-Indianapolis and consistent with the requirements of OUSD(C).
2. The report shall include the following:
 - a. Column 1 – Country. Alphabetically list the specified country.
 - b. Column 2 – Monetary Unit. Enter the monetary unit of the country.

c. Column 3 – Foreign Currency Unliquidated Obligations. Enter the dollar amount of unliquidated obligations at the budget rate. Report unliquidated obligations by fiscal year.

d. Column 4 – Accrued Variance. Enter the accrued variance for the unliquidated obligations in column 3. This amount may change from month to month as the current foreign currency exchange rate changes. Report accrued variances by fiscal year.

e. Column 5 – Foreign Currency Liquidated Obligations. Enter the dollar amount of total obligations liquidated for the report month at the budget rate.

f. Column 6 – Realized Variance. Enter the actual dollar amount of the variance resulting from liquidated obligations for the month. This amount represents the variance (difference) between obligations at the budget rate and the amount actually disbursed. All realized variances will be charged against the current year CMAs for construction, military family housing operations and maintenance, and military family housing construction.

g. Column 7 – CMA Projected 6-Month Disbursements. Enter the projected 6-month disbursements from the CMAs based on historical outlay data, contract requirements, and payment schedules.

3. The report shall also include footnotes showing:

a. The anticipated gains or losses for the rest of the fiscal year (estimate this by computing the variance that would occur if the present currency exchange rates were to remain unchanged during the remainder of the fiscal year).

b. The total amount of funding transferred to the CMAs from the FCF, C, D appropriation.

*Figure 1. Foreign Currency Fluctuations, Defense Report: DD-COMP(M)1506

<u>FOREIGN CURRENCY FLUCTUATIONS, DEFENSE REPORT</u> <u>FOR (Component and Appropriation)</u> <u>AS OF: (DATE) (YYMMDD)</u> <u>DD-COMP(M)1506</u>						
Country (List Alphabetically)	Monetary Unit	Foreign Currency Unliquidated Obligations (Budget Rate)	Accrued Variance	Realized Variance	Obligations Incurred (Budget Rate)	Planned Overseas Program (Budget Rate)
<u>FOOTNOTES:</u> <div style="margin-left: 40px;"> (1) CMA Funding Transfers from FCF, D Transfers from O&M Total CMA Funding </div> <div style="margin-left: 40px;"> (2) Anticipated Gains/Losses (3) Transfers to FCF, D (Favorable Fluctuations) (4) Projected Liquidations (Budget Rate) (5) Explanation of Deviation From Plan </div>						

Figure 7-1

*Figure 2. Foreign Currency Fluctuations, Construction, Defense Report: DD-COMP(M)1761

<u>FOREIGN CURRENCY FLUCTUATIONS, CONSTRUCTION, DEFENSE REPORT</u> <u>FOR (Component and Appropriation)</u> <u>AS OF: (DATE) (YYMMDD)</u> <u>DD-COMP(M)1761</u>						
Country (List Alphabetically)	Monetary Unit	Foreign Currency Unliquidated Obligations (Budget Rate)	Accrued Variance	Foreign Currency Liquidated Obligations (Budget Rate)	Realized Variance	CMA Projected 6-Month Disbursements
<p><u>FOOTNOTES:</u></p> <p>(1) Anticipated Gains/Losses remainder of year</p> <p>(2) Total funding provided from FCF,C,D</p>						

Figure 7-2

**VOLUME 6A, CHAPTER 9: “ACCOUNTING AND REPORTING FOR OPERATION
AND MAINTENANCE OF THE FAMILY HOUSING PROGRAM”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated March 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Made general improvements in flow and organization. Updated electronic links.	Update
0901	Changed sub-section titles – added Background and Purpose to “General” sub-section tiles.	Update

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CHAPTER 9

**ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE
OF THE FAMILY HOUSING PROGRAM**

0901 OVERVIEW

***090101. General**

This chapter provides accounting support for Family Housing Operation and Maintenance (O&M) requirements and prescribes an accounting structure that accumulates O&M costs consistent with guidance set forth in Volume 2B, Chapter 6 of this Regulation.

***090102. Background**

The Congress established the family housing O&M appropriation to separate the funding of family housing O&M from other O&M programs. All obligations incurred for O&M to support the military family housing program will be charged to the family housing O&M appropriation.

***090103. Purpose**

The purpose of the account structure is to provide uniform procedures for consistently identifying, accumulating, and reporting family housing program costs. It is important that methods for computing costs for the family housing program are as uniform as practicable among the Department of Defense (DoD) Components. Such uniformity is essential to permit intra-DoD and inter-DoD Component program, budget, and cost comparison, irrespective of the management service, the agency, or the accounting system used at the installation. Cost identification and computation methods specified herein should minimize the accounting effort and detail required to compute costs. Costs for operating and maintaining family housing facilities will be identified as prescribed in this chapter and will be the basis for reports referenced herein.

***090104. Scope**

This policy applies to all DoD Components that support military family housing under the Military Construction (MILCON) program. Programs administered under the Military Housing Privatization Initiative (MHPI) are not required to follow this policy; however, support costs, such as environmental assessments and consultant fees, and other administrative costs, funded by the family housing O&M appropriation, fall within the parameters of this policy.

0902 ACCOUNT STRUCTURE AND CONTENT

***090201. Accounts Used for Accumulating Costs**

A series of accounts **have been** established and maintained for accumulating family housing O&M costs and reimbursements incurred through the MILCON housing program. Costs and reimbursements **are computed and identified** to the accounts in accordance with the guidance

herein. The accumulated costs and reimbursements in the accounts **are used** to support budget exhibits and budget execution reports.

090202. **Required Summary and Subordinate Accounts**

The following is a list of required summary and subordinate accounts.

A. Operations Account

1. Management Account. This account accumulates costs of management, administrative, and support-type services at the installation level involving:

a. Administration costs for installation housing offices including management office personnel, supplies, equipment, and utilities pertaining to the functions of a family housing office. These costs also include administrative support services provided in supply, comptroller, maintenance, and other installation offices when the costs for such services are attributable to family housing.

b. Costs for housing referral administration pertaining to private housing, including rental guarantee projects and the provision of referral services and assistance in locating and inspecting privately owned family housing for DoD personnel.

c. Requirements surveys and preliminary family housing studies or engineering construction plans made before Secretary of Defense project approval. This account also includes planning for improvement and rental guarantee projects and inspection of construction of rental guarantee housing.

d. Other identifiable management costs that directly support the family housing program.

2. Services Account. This account accumulates costs for authorized services.

a. Refuse Collection and Disposal. These services include collecting garbage, trash, ashes, debris, and refuse disposal for family housing, such as the operation and maintenance of incinerators, sanitary fills, and regulated dumps. These services also include acquisition, maintenance, and repair of garbage and trash containers, and operation of can-washing facilities.

b. Fire Protection. This service **includes** costs for protection and fire prevention efforts for family housing facilities.

c. Police Protection. This service **includes** the costs for law enforcement, traffic control, and protection of family housing facilities.

d. Entomological Services. These services include costs of all control measures against fungi, insects, and rodents within family housing dwellings, facilities, and areas.

e. Custodial Services. These services include costs of janitorial and custodial services performed in common service areas and the cost of elevator operation in family housing facilities.

f. Snow Removal. This service includes the costs of removing, hauling, and disposing of snow; the cost of ice alleviation; and erection, maintenance, repairs, and removal of snow fences for family housing areas.

g. Street Cleaning. This service includes the costs of cleaning streets comprised of sweeping, flushing, and picking up litter.

h. Municipal Type Services. These services include costs of miscellaneous municipal type services not identifiable to other listed accounts.

i. Other Services. The costs of all other authorized services for family housing fall into this category.

3. Furnishings Account. This account accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. This account also includes costs of controlling, handling, record keeping, and moving of Government-owned furnishings into and out of dwelling units; charges for connecting and disconnecting equipment; and handling costs incident to storage.

4. Miscellaneous Account. This account accumulates costs of operational items that do not fall into management, services, or furnishings accounts.

a. Lease, rents, and permit payments for housing and trailer spaces leased by the Government from private sources or provided by the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA).

b. Reimbursement costs for dwellings provided by State, municipal, or foreign governments or by Federal agencies other than the FHA or VA.

c. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization (NATO) Status of Forces Agreement (SOFA) for local taxes on land and improvements of family housing property.

d. Fire insurance charges paid to the Federal Republic of Germany to cover fire damage to family housing dwelling units.

e. United Kingdom accommodation charges paid in accordance with the country-to-country agreement for housing provided to U.S. Forces.

- f. Other miscellaneous operations costs not covered elsewhere.

B. Utility Operations Account. This is a summary account for accumulating costs for utilities consumed in family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. This account excludes the costs of maintenance and repair of utility systems identified to the family housing property covered under the Maintenance of Real Property Facilities Account. Other costs reported as “Services” are excluded from the utility operations account.

C. Maintenance of Real Property Facilities Account

1. Dwellings Account. This account accumulates costs of maintenance and repair, including all interior utilities and installed equipment, of all family housing buildings in real property category codes 711, 712, and 714, as defined in [DoD Instruction 4165.3](#). Typically this involves:

- a. Service calls for minor work, including emergency and temporary repairs normally not in excess of 16 work hours.

- b. Routine maintenance for occupancy work and other maintenance usually scheduled annually or more frequently.

- c. Repairs and replacements for rehabilitations and replacement of major components and installed equipment.

- d. Interior and exterior painting and the necessary preparation.

- e. Contract cleaning between occupancy, where authorized.

2. Exterior Utilities Account. This account accumulates costs of maintenance and repair of electric, gas, water, sewage, and other utility distribution, collection, or service systems assigned to family housing. Street and area lighting systems are included in exterior utilities beginning at a point 5 feet from the house line and ending at a point where the utility system joins a common use main or terminates.

3. Other Real Property Account. This account accumulates costs for maintenance other than to dwellings and exterior utilities, including:

- a. Maintenance, care, and repair of improved and unimproved grounds, storm sewerage, and drainage structures; and costs of acquisition, maintenance, and repair of Government-owned minor equipment, such as hand-operated lawnmowers used for grounds maintenance by occupants.

- b. Maintenance and repair of paved or stabilized streets, roads, walks, and driveways; utility, service, and parking areas, as well as curbs, gutters, signs, and other road appurtenances.

c. Maintenance and repair of facilities other than dwellings, such as fences when the facility is dedicated to housing, athletic and recreation facilities, community buildings, service facilities, and the costs of maintenance of trailer sites including outlets.

4. Alterations and Additions Account. This account accumulates costs for incidental additions, expansions, extensions, and alterations to existing real property. These costs include payments made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed nonpermanent change-of-station moves, and charges resulting from improvement or repair projects funded in part from the family housing construction account.

D. Leased Housing Account

1. Lease Cost – Foreign Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign countries.

2. Lease Cost – Foreign Account Government Rental Guarantee Program (GRGP). This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign GRGPs, e.g., Europe under the Army GRGP programs.

3. Lease Cost – Domestic Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in the United States, including U.S. possessions and territories.

4. Lease Cost – Section 2835 Account. This account accumulates costs for charges and other payments specified in the lease agreement for Section 2835 housing contracts for the lease of facilities on or near military installations, essentially a build-to-lease guarantee to a local property developer.

5. Rental Guarantee – Section 2836 Account. This account accumulates costs accounted for under rental guarantees for a minimal occupancy rate or rental income for Section 2836 housing. This program allows the DoD Components to enter into lease agreements guaranteeing tenants will occupy rental housing on or near installations.

6. Other O&M Cost. This series of accounts accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for foreign, GRGP, domestic, 2835, and 2836 housing. They include initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs, such as assignment, travel, and inspection by installation personnel. Reimbursements to the Department of State for foreign affairs administrative support costs are also included.

E. Mortgage Insurance Premiums Account. This is a summary account for accumulating the costs for service members' mortgage insurance premium payments pursuant to the National Housing Act. See Volume 2B, Chapter 6, paragraph 060202 of this Regulation for more guidance.

F. Foreign Currency Fluctuations Account. This is a summary account for accumulating the gains or losses arising from foreign currency exchange rate fluctuations in accordance with the requirements in Volume 6A, Chapter 7 of this Regulation.

G. Reimbursements Account. This is a summary account for accumulating reimbursements collected during the current fiscal year for O&M rental and service charges billed to occupants and for proceeds from handling or disposing of excess housing property. Reimbursements for Foreign Military Sales (FMS) funded and Non-Foreign Military Sales (Non-FMS) funded accounts will be separately identified.

1. FMS Funded Account. This account accumulates all reimbursements from FMS-funded activities or sources. The amounts will be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

2. Non-FMS Funded Account. This account accumulates reimbursements from other than FMS-funded activities or sources. The amounts will be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

H. Housing Privatization Support Cost Account. This account is used for accumulating the costs that the government incurs in direct support of the family housing privatization program with the exception of those costs that will be included as part of the privatization project. These costs are associated with military housing privatization and specifically for:

1. Site assessment costs, including environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required to be accomplished by the government prior to privatization for environmental mitigation, site surveys, or real estate costs.

2. Project costs, including project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management, post-award management and monitoring, and portfolio management.

3. Administrative costs, including civilian pay, travel, training, supplies, equipment, and services provided by a Defense agency in support of the privatization program.

0903 COST IDENTIFICATION PROCEDURES

090301. [Obligations Incurred](#)

DoD Components will identify the obligations incurred, both in-house and by contract, to operate and maintain family housing programs.

090302. [Identifiable and Measurable Costs](#)

Costs will be charged to the applicable family housing account to the extent they are reasonably identifiable and measurable to the housing program. This practice does not prevent the use of engineered standards or estimates in charging utilities when metering devices are not used.

090303. [Obligations for Administrative Costs](#)

Obligations incurred for administrative support and supervision efforts will be limited to those incurred at installation level and will not include those which may be incurred at echelons of command above the installation. An exception is made when amounts for administrative support and supervision are included in charges assessed by a field office of a construction agent.

090304. [Criteria for Support Costs](#)

Other efforts, goods, or services that are provided to family housing and other programs will be assigned to appropriate family housing accounts based on relative workload, benefit, or other measurement. The following general criteria will be used in assigning support costs to the family housing program:

A. When the support provided is predominantly personnel-intensive, costs should be allocated based on a pro-rata basis of workload. This would include collateral duty management assignments involving command or policy determinations related to personnel, financial management, legal, procurement, or similar areas.

B. When the support provided has a mix of personnel, equipment, materials, or supplies, costs should be allocated based on workload (e.g., printing or reproduction services or computer support involving a mix of resources). The proportion of workload for the family housing program to the total workload would be used to compute the portion of the total costs identified to the family housing program.

C. When the support provided predominantly involves specific goods or services (e.g., electricity, gas, water, or sewer), costs should be allocated based on the relative amount consumed or quantity used.

090305. [General or Flag Officers Costs](#)

When a set of quarters is intended for or occupied by officers of General or Flag rank, the costs accumulated for the operation and maintenance of each set of quarters will be identified

within the accounts specified in this chapter, and reported in accordance with the requirements prescribed by the Deputy Under Secretary of Defense (Acquisition, Technology & Logistics).

090306. **Costs Identified to the Family Housing Program**

When identifying O&M costs to the program, the general premise is that all applicable costs will be assigned. When an incidental level of effort, supplies, or services are provided on a nonrecurring basis, costs need not be identified to the program if they are insignificant and it is not cost effective to measure and assign the costs. As a general rule, cost identification is necessary when the support is more than incidental.

090307. **Installation Managers Responsibility**

Installation management officials, such as the installation commander, public works officer, housing director, or comptroller, are responsible for identifying the O&M costs for the family housing program, whether funded by family housing O&M or other appropriations. Installation managers will periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. The basis of allocating such costs to the program will be reset when variances occur in efforts, workload, or other resources consumed. Management will also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

0904 COST ELEMENTS AND COMPUTATION OF CHARGES

090401. **Full Absorption Basis**

Costs charged to the program will be in proportion to the efforts used, goods consumed, or services received by the family housing program. Dedicated efforts or responsibilities for the program will be fully charged. For example, total costs for full-time management and staff will be charged to the family housing program. All costs of providing program support will be computed and expensed to the program on a full absorption basis, i.e., full cost for dedicated support and pro rata cost for other support.

A. Defense Working Capital Fund (DWCF) real property maintenance activities, which have a primary mission of facility maintenance, will apply the normal business fund overhead rates to family housing support.

B. Other funded real property maintenance activities with established shop or productive expense rates will apply the applicable rate to direct work or service in support of family housing.

090402. **Labor Costs**

The labor effort of military or civilian personnel assigned and identified to family housing will be computed for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A, Chapter 1 of this Regulation. Personnel efforts will be reviewed and

validated annually to support a charge to family housing. Military labor will be accumulated and classified as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

090403. **Material and Supplies Costs**

The costs for material and supplies will be computed based upon the relative amount consumed or the quantity used. Material and supplies will be computed at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

090404. **Costs of Services**

Services such as refuse collection and disposal, as well as entomological and custodial activities, are provided by government forces or contractors and will be computed and charged when received. The full cost of these services will be borne by family housing when family housing is the sole customer. Partial cost will be charged to family housing when the family housing portion of such services is readily separable and distinct. When the service operation is too intertwined or complex to enable ready identification of proper family housing costs, costs charged to family housing will be based on the proportionate amount of service received on a unit of service basis, such as number of refuse pickups or square feet of floor area receiving custodial service.

090405. **Utility Costs**

Utility costs will be computed based upon consumption. DWCF funded activities providing utilities will compute the charges consistent with their normal procedures. All other activities will compute the charge to family housing at the rate the utility is purchased from the supplier. If not metered, then consumption should be based on documented engineering estimates.

090406. **Equipment Usage Costs**

Equipment usage costs for rented property will be computed at the lease or rental rate. Cost computation is limited in the case of Government-owned equipment to the expenses of operating and maintaining the equipment and charges for the operator's time when provided by other than family housing. Neither acquisition costs nor periodic depreciation charges will be computed.

090407. **Unfunded Costs**

Military labor and headquarters costs, included in construction agent administrative support and supervision effort above the installation level, will be treated as unfunded costs in computing family housing O&M costs.

0905 REIMBURSEMENTS

090501. [FMS-funded and Non-FMS Funded Accounts](#)

FMS-funded and non-FMS funded accounts will be used to accumulate reimbursements for charges initially financed by the O&M appropriation for the family housing program or proceeds from handling or disposing of family housing property. All reimbursements will be recorded in the family housing reimbursement accounts.

090502. [Reimbursements](#)

Ordinarily, reimbursements are for rental and service charges paid by occupants or users of family housing facilities. Some collections may be refunds that include the costs of repairing damages and replacement of items to family housing facilities.

090503. [Reimbursements for Recovery of Expenses](#)

Reimbursements may involve the recovery of expenses for handling and disposing of excess family housing property as well as the proceeds from sales of such property. Collections may be used for various purposes, such as defraying O&M expenses or the payment of debt. Policy guidance governing such collections, use, and reporting is provided in Volume 2B, Chapter 6 of this Regulation.

0906 INTERNAL CONTROL

Management will develop and implement internal control techniques to ensure effective control over and accountability for the resources charged to this program and for the full and prompt receipt of all proceeds from reimbursements for rents, service charges, and disposal or handling of excess family housing property.

0907 REPORTING

090701. [Responsibility of DoD Components](#)

DoD Components responsible for operating and maintaining family housing facilities are required to prepare the reports described in this chapter. Housing programs administered under MHPI are not required to prepare these reports.

090702. [Reports](#)

Data derived from the uniform account structure established and maintained consistent with this chapter will be used by DoD Components when preparing and submitting the following reports:

A. Appropriation Status by Fiscal Year Program and Subaccounts Report (Acct. Rpt (M) 1002). DoD Components will prepare and distribute the report in accordance with the guidance contained in Chapter 4 of this volume.

B. Report on Budget Execution and Budgetary Resources, SF-133. DoD Components will prepare and distribute the monthly report for the annual portion of the O&M category of the family housing appropriation in accordance with the guidance prescribed in Chapter 4 of this volume.

090703. Service/DFAS and Intermediate/Installation Level Report Requirements

Reporting requirements for family housing reports at the center/service and intermediate/installation level are addressed in manuals and instructions published by the individual Services or DFAS central accounting activities.

**VOLUME 6A, CHAPTER 11: “FINANCING AND REPORTING COSTS OF
MILITARY RESOURCES USED IN CIVIL DISTURBANCES”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by *blue font*.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font***.

The previous version dated February 1996 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	No significant changes made. Revision is to correct the volume number from 6 to 6A, table format of figure 11-1 and to update the 1996 format to the page approach used today.	Update

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CHAPTER 11**FINANCING AND REPORTING COSTS OF MILITARY RESOURCES USED IN CIVIL DISTURBANCES****1101 PURPOSE**

This chapter implements the requirements for financing and reporting costs associated with civil disturbance operations.

1102 APPLICABILITY AND SCOPE

The provisions of this chapter apply to all DoD Components responsible for the military resources which may be employed in civil disturbances under DoD Directive 3025.12, "Employment of Military Resources in the Event of Civil Disturbances."

1103 PROCEDURES**110301. Financing.**

The costs of DoD resources employed or provided in connection with civil disturbance operations will be financed in accordance with the following guidance.

A. Resources Employed Under a Presidential Directive. Under an Executive Order or other Presidential directive authorizing and directing the Secretary of Defense to provide for the restoration of law and order in a specific state or locality, expenses will be financed as follows:

B. Employment of Active DoD Military Forces. When the Presidential directive specifies the fund or appropriation for financing the expenses incurred, reimbursement to DoD appropriations will be in accordance with the provisions of that directive. This includes expenses incurred in propositioning resources before the issuance of the Presidential directive. When the Presidential directive does not specify the fund or appropriation, expenses incurred will be financed as follows:

1. Costs for travel and transportation (except commercial or Air Mobility Command (AMC) air lift), communications, supplies, and other operating costs will be financed from the appropriations of the military service sponsoring the movement of troops, and/or providing the government-owned transportation.

a. Costs for commercial or AMC airlift will be financed from Army appropriations under the Secretary of the Army's responsibilities as DoD Executive Agent pursuant to subsection VII.A. of DoD Directive 3025.12.

b. Costs of military pay, allowances, subsistence and other costs to military personnel appropriations of military personnel on active duty will be financed by the respective parent military department.

2. Employment of Reserve Component Forces Called to Active Duty.

The policies set forth in 110301.A.1.a. and b., above, apply. Reserve forces called to active duty will be financed by the respective parent Military Department. In the event that the President determines that it is necessary to increase the number of military personnel on active duty beyond the number for which funds are provided in the current DoD Appropriation Act, the cost of such increased military personnel is authorized as an excepted expense in accordance with 41 U.S.C. 11.

B. Resources Employed Without Presidential Directive. When the immediate employment of military resources is required in cases of sudden and unexpected civil disturbances or other emergencies endangering life or Federal property or disrupting the normal processes of government, or in protecting life or Federal property or preventing the disruption of Federal activities, expenses incurred will be financed as a mission responsibility of the DoD Component employing the military resources. The policies set forth in subparagraph 110301.A.1., above, apply except that the use of commercial or Military Airlift Command will be financed from the appropriations of the military service sponsoring the movement of troops.

C. Resources Provided to Other Federal Agencies. Supplies, equipment, and services provided to other Federal agencies will be on a reimbursable basis.

D. Resources Provided to Civil Authorities. Loan or sale of military equipment to civil authorities under the provisions of section X of DoD Directive 3025.12, will be handled as follows:

1. Loan or Sale of Equipment Other than Sale of Surplus Military Equipment. Policies established by the DoD Executive Agent will apply. Generally, these policies will follow the guidance contained in DoD Directive 3025.1.

2. Sale of Surplus Military Equipment. Policies set forth in DoD Instruction 4160.23 apply.

110302. Reporting

A. The "Report of Civil Disturbance Costs" (Figure 11-1), will be prepared by the Secretary of the Army as DoD Executive Agent and submitted in duplicate to the Deputy Comptroller (Program/Budget), OUSD(C). The initial report, showing estimated data by DoD Component, shall be submitted within 72 hours of the time designated by the DoD Executive Agent. A complete accurate report detailing the data required will be provided within 20 working days. This reporting requirement has been assigned Report Control Symbol DDComp (AR)991.

B. DoD Components involved shall submit timely information to the DoD Executive Agent as requested.

C. Where the payment of costs in accordance with the foregoing presents serious reprogramming or budgetary problems, the responsible DoD Component promptly shall advise the Deputy Comptroller (Program/Budget), OUSD(C).

1104 PREPARATION OF REPORT OF CIVIL DISTURBANCE COSTS

The Department of the Army, as the DoD Executive Agent, will prepare a separate report, by location for each disturbance, in accordance with the sample format shown in Figure 11-1. The Executive Agent will accumulate costs incurred by DoD Components separately for each location (city or town) at which an incident occurs, from the time the first action is taken to provide DoD resources until such resources are withdrawn.

110401. Estimated Costs.

Costs will be identified and reported as: (1) normal operating costs and (2) incremental costs. Normal operating costs will be those costs which would have been incurred in the absence of a civil disturbance. Examples are the salaries and meals of military personnel assigned to civil disturbance operations. Incremental costs are those costs which would not have been incurred in the absence of a disturbance. Costs reported for each DoD Component will reflect the ultimate net costs of the resources used by that component. Therefore, the DoD Executive Agent will report for each Component the costs incurred for others which will be reimbursed.

110402. Reimbursement Between DoD and Other Government Agencies or Activities.

As memorandum information, show by government agency or activity outside the DoD, all plus and minus reimbursement adjustments between the agency or activity and the DoD, as well as the amount of reimbursement due to/from the Department.

110403. Number of Forces Employed.

As memorandum information, show by Military Service the numbers of forces--Active, Reserve, Federalized National Guard, and total--employed as of the end of the month, unless the period is less than a month. If less than a month, the beginning and ending strengths should be reported.

110404. Record Information.

The DoD Executive will maintain detailed cost information on each disturbance by appropriation and budget activity to be made available on call to the Deputy Comptroller (Program/Budget), OUSD(C).

Figure 11-1 Report of Civil Disturbance Costs

REPORT OF CIVIL DISTURBANCE COSTS								
Location_____			Inclusive Dates: From_____ Thru_____					
A. Estimated costs								
Department/Agency	Normal Operating Cost		Incremental Cost		Total Costs			
Army	\$		\$		\$			
Navy								
Air Force								
DLA								
DISA								
Total DoD	\$		\$		\$			
B. Reimbursement Between DoD and Other Government Agencies or Activities								
Agency/Activity	Due DoD from Others				Due Others from DoD			
Department of Justice	\$				\$			
General Services Administration								
City or County and State								
Etc.								
Totals	\$				\$			
C. Number of Forces Employed								
Department	Active		Reserve		Federalized National Guard		Total	
	Off	Enl	Off	Enl	Off	Enl	Off	Enl
Army								
Navy								
Air Force								
Total DoD								

Figure 11-1 Report of Civil Disturbance Costs

**VOLUME 6A, CHAPTER 12: “COLLECTING AND REPORTING FOREIGN
INDEBTEDNESS WITHIN THE DEPARTMENT OF DEFENSE”**

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated February 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Changed Foreign Government Debt Management Office (FGDMO) to Foreign Debt Management Office (FDMO).	Update
120101.D	Added that overpayment to a foreign entity is a type of accounts receivable.	Add
120104	Added definition for accounts receivable, arrearage, foreign entity, foreign indebtedness, long-term loans and credits, and short-term loans and credits.	Add
1202	Added responsibilities for the accounts receivable office (ARO), the Defense Security Corporation Agency (DSCA), and the Defense Finance and Accounting Service Security Cooperative Accounting (DFAS SCA). Expanded responsibilities for the DoD Component fund holder and the FDMO.	Update
1203	Clarified guidance on recording an accounts receivable, writing off an accounts receivable, categorizing an accounts receivable as currently not collectable, and closing out an accounts receivable.	Update
1204	Added that the ARO is responsible for all billings and follow-up actions for foreign accounts receivable and added guidance regarding specific information that should be included in initial billing or demand letter.	Add
1205	Added guidance on how to handle disputed bills.	Add
1206	Added guidance on charging interest, penalties, and administrative charges on delinquent foreign accounts receivable.	Add

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1207	Added guidance on using administrative offset for the collection of non-FMS foreign accounts receivable.	Add
1208	Added guidance on the referral of delinquent non-FMS foreign accounts receivable to the FDMO.	Add
1209	Added guidance on the referral of foreign accounts receivable to Department of Justice for litigation.	Add
1210	Clarified guidance on compromise, suspension, and termination of accounts receivable.	Update
1211	Added reporting requirements from Annex 1 into body of chapter.	Add
Figure 12-1	Added sample transmittal letter for referring delinquent non-FMS foreign accounts receivable to the FDMO.	Add
Figure 12-2	Added sample Delinquent Non-FMS Foreign Accounts Receivable Certification Statement.	Add
Figure 12-3	Added sample format for Foreign Obligors Accounts Receivable Report from Annex 1.	Add
Annex 1	Deleted annex and incorporated guidance into body of chapter.	Delete

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CHAPTER 12

**COLLECTING AND REPORTING FOREIGN INDEBTEDNESS WITHIN THE
DEPARTMENT OF DEFENSE**

1201 OVERVIEW

120101. Purpose

This chapter establishes guidance for the Department of Defense (DoD) Components for billing, collecting, and reporting foreign indebtedness. Foreign indebtedness may arise through the following:

A. Sale of defense articles and services pursuant to the Arms Export Control Act (AECA), as amended.

B. Operation of military missions.

C. Logistical support provided under country-to-country agreements such as Acquisition and Cross-Servicing Agreements (ACSA) under Title 10, United States Code, section 2341 (10 U.S.C. 2341).

* D. Erroneous payment to a foreign entity. This does not include erroneous payments to foreign individuals or foreign vendors.

120102. Applicability

A. The provisions of this chapter apply to all DoD Components.

B. This chapter does not apply to debt owed to DoD by foreign individuals or foreign vendors. See Volume 5, Chapter 28 and Volume 10, Chapter 18 of this Regulation for guidance on collection of individual and vendor debt owed to DoD.

120103. DoD Policy for Collections

It is DoD's policy that timely and aggressive collection efforts will be conducted, with follow-up actions as necessary, to ensure that foreign indebtedness is held to the absolute minimum and that the indebtedness is collected.

*120104. Definitions

A. Accounts Receivable. Accounts receivable arise from claims to cash or other assets against another entity. At the time revenue is recognized and payment has not been received in advance, a receivable must be established. Accounts receivable include, but are not limited to, monies due from the sale of goods and services and monies due for indebtedness. This includes those amounts due for foreign military sales (FMS) transactions in which the

original payment due date required full payment within 60 days of delivery or performance. For purposes of this chapter, accounts receivable does not include principal payments or interest on short-term and long-term loans and credits or overdue payments and arrearages on short-term and long-term loans and credits.

B. Accounts Receivable Office (ARO). The ARO is the office responsible for recording and reporting accounts receivable and can also be the office responsible for debt collection. In most cases the ARO is located at a Defense Finance and Accounting Service (DFAS) site.

C. Arrearage. An arrearage occurs when the FMS purchaser's total cash resources on deposit with the U.S. Government (USG) are insufficient to cover the unpaid accrued expenditures made on behalf of the purchaser. See Volume 15, Chapter 5 of this Regulation.

D. DoD Component. DoD Component refers to the Offices of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the DoD Office of Inspector General, the Defense Agencies, the DoD Field Activities, and all other organizational entities in DoD.

E. Foreign Entity. For purpose of this chapter a foreign entity does not include foreign individuals or foreign vendors. In accordance with Title 32, Code of Federal Regulations, Part 268.9 (32 C.F.R. 268.9), a foreign entity is:

1. Any partnership, association, corporation, or other organization created or organized under the laws of a foreign country, excepting branches or agencies thereof located in the United States.

2. Any branch, subsidiary, or allied organization, within a foreign country of a partnership, association, corporation, or other organization created or organized under the laws of a foreign country or the United States.

3. Any government of a foreign country and any subdivision, agency, or instrumentality thereof, including all foreign "official" institutions, even those located in the United States.

4. Any private relief, philanthropic, or other organization of a multinational or regional character with headquarters abroad.

5. Any official multinational organization, defined as any international or regional organization (or affiliated agency thereof) created by treaty or convention between sovereign states.

F. Foreign Indebtedness. Foreign indebtedness means financial obligations owed to the USG by a foreign entity. Foreign indebtedness includes arrearages, accounts receivable for goods and/or services provided, and erroneous payments made to foreign entities.

Foreign indebtedness does not include principal payments or interest on short-term and long-term loans and credits.

G. Foreign Debt Management Office (FDMO). The FDMO is the DFAS office that services referred non-FMS foreign accounts receivable.

H. Long-Term Loans and Credits. Long-term loans and credits include any indebtedness under which the original payment terms provided for payment within a period of time exceeding one year after delivery or performance.

I. Short-Term Loans and Credits. Short-term loans and credits include any indebtedness under which the original payment terms provided for payment within a period from 90 days to and including one year after delivery or performance. FMS transactions which provide for payment 120 days after delivery or performance shall be classified as short-term credit sales.

120105. Internal Controls

DoD Components will establish and maintain internal controls to ensure that foreign indebtedness is recorded, reported, and managed in accordance with this chapter, other applicable regulations, and statutory requirements.

*1202 RESPONSIBILITIES

120201. The Office of the Under Secretary of Defense (Comptroller) Responsibilities:

The Office of the Under Secretary of Defense (Comptroller) is responsible for matters concerning foreign indebtedness requirements imposed on DoD from outside sources, such as the Congress, the Department of the Treasury, and the National Advisory Council on International Monetary and Financial Policies (NAC).

120202. The DoD Component Responsibilities

The DoD Component fund holder is responsible for:

A. Providing documentation to the ARO to establish the accounts receivable in the accounting records. Documentation must include applicable line(s) of accounting.

B. Providing collection information to the ARO if a collection for an accounts receivable is received by DoD Component fund holder.

C. Assisting in notifying the appropriate foreign entity of the delinquent accounts receivable and working with the foreign entity to resolve disputed amounts.

D. Working with appropriate DoD and/or USG activities (e.g., the Defense Security Cooperation Agency (DSCA), the Military Departments, the Joint Chiefs of Staff, the Combatant Commands, the Department of State, and the U.S. Embassy's Office of Defense Cooperation) to collect the delinquent accounts receivable.

E. Assisting the ARO to obtain necessary missing documentation and point of contact information to collect delinquent accounts receivable.

F. Ensuring that foreign indebtedness (arrearages and accounts receivable) are reviewed during the Triannual Reviews of Commitments, Obligations, Accounts Payable and Accounts Receivable in accordance with Volume 3, Chapter 8 of this Regulation.

G. Recommending, coordinating and/or approving recommendations to:

1. Accept a compromise in settlement of a foreign indebtedness.

2. Suspend or terminate collection action on a foreign indebtedness.

3. Write-off the foreign indebtedness and categorize it appropriately.

See paragraph 120304 of this chapter.

H. Completing other actions pertaining to FMS arrearages as specified in Volume 15, Chapter 5 of this Regulation.

120203. DSCA Responsibilities

DSCA is responsible for:

A. Ensuring that actions concerning FMS arrearages are completed in accordance with Volume 15, Chapter 5 of this Regulation.

B. Approving FMS feeder arrearage reports prepared by DFAS, Security Cooperation Accounting (DFAS SCA) in accordance with this chapter, Volume 15, Chapter 5 of this Regulation, and the *Treasury Financial Manual (TFM)*.

C. Administering and managing FMS long-term loans and credits programs authorized under the AECA or other authorities and identifying delinquent amounts associated with these programs.

D. Completing other actions as may be necessary, to include required reporting to the Department of State and others.

120204. DFAS SCA Responsibilities

DFAS SCA is responsible for:

A. Preparing FMS feeder arrearage reports in accordance with this chapter, Volume 15, Chapter 5 of this Regulation, and the TFM and submitting the reports to the Department of the Treasury after coordination and approval by the DSCA.

B. Coordinating with DSCA to identify, report, and collect FMS arrearages and other delinquent amounts.

C. Completing other actions required, such as those specified in Volume 15 of this Regulation.

120205. DFAS FDMO Responsibilities

The DFAS FDMO is responsible for assisting AROs in the centralized management of non-FMS foreign accounts receivable. Actions include, but are not limited to, working with the ARO, DoD Component fund holder, DSCA, the Department of State, and the Department of Justice (DOJ) on actions to collect, compromise, suspend, or terminate collection, write-off, and close-out the delinquent foreign accounts receivable.

120206. ARO Responsibilities

The ARO is responsible for:

A. Preparing and sending the initial bill/demand letter and performing follow-up actions on accounts receivable.

B. Ensuring that due process requirements have been completed on accounts receivable.

C. Ensuring that the accounts receivable is valid. See Volume 4, Chapter 3 of this Regulation for accounting procedures when it is determined that an accounts receivable is not valid.

D. Processing all accounting transactions related to accounts receivable. This includes, but is not limited to:

1. Establishing and maintaining the accounts receivable in the applicable accounting system.

2. Crediting collections to the applicable line of accounting.

3. Aging delinquent foreign indebtedness/accounts receivable. See paragraph 120303 of this chapter.

4. Preparing and submitting accounts receivable reports to the appropriate offices (e.g., DFAS Departmental Accounting, DSCA, Department of State,

Department of the Treasury, or Department of Commerce). See paragraph 120303 of this chapter.

5. Obtaining the appropriate level of approval to write off a foreign indebtedness, writing off the foreign indebtedness, and either categorizing it as currently not collectible (CNC) or, where statutory authority exists, closing it out in conjunction with the DoD Component fund holder and in accordance with Volume 4, Chapter 3 of this Regulation.

E. Working with the DoD Component fund holder to resolve disputed foreign indebtedness.

F. Requesting the DoD Component fund holder's assistance in working with the Combatant Command, the U.S. Embassy Office of Defense Cooperation and, if necessary, the U.S. Ambassador on collecting foreign indebtedness.

G. Coordinating with the DoD Component fund holder on other actions as needed to resolve foreign indebtedness.

H. Attempting to collect a non-FMS foreign accounts receivable through administrative offset.

I. Retaining required supporting documentation related to accounts receivable in accordance with Volume 4, Chapter 3 of this Regulation. Supporting documentation includes all documents listed in referenced paragraph along with those documents used to request approval of compromises, suspensions, and termination.

J. Referring valid and legally enforceable, delinquent, non-FMS foreign accounts receivable to the FDMO.

K. Notifying FDMO of collections received after the delinquent non-FMS foreign accounts receivable was referred to FDMO.

L. Determining and establishing the allowance for loss on accounts receivable. Refer to Volume 4, Chapter 3 of this Regulation for additional guidance.

*1203 ACCOUNTING FOR RECEIVABLES

120301. General

Each accounts receivable, whether it is the result of sales or erroneous payment, will be recorded in the applicable accounting system during the month the accounts receivable occurs. The accounts receivable will be maintained on the books of the DoD Component until collected or written off and closed out. See Volume 4, Chapter 3 of this Regulation for additional guidance on accounting for accounts receivable.

120302. Collections

Offices receiving collections for accounts receivable will, within 30 days of receipt, notify the supporting accounting office and/or ARO to ensure accounting records are updated. Collections must be recorded in the appropriation that earned the funds, or in the case of a refund, into the appropriation from which the excess payment was made, unless otherwise specified by law. Collections received after an appropriation cancels must be deposited in the Department of the Treasury Account 3200, "Collections of Receivables from Canceled Accounts."

120303. Reporting

Foreign indebtedness will be uniformly and accurately reported through appropriate reporting channels to the Department of the Treasury and Department of Commerce. See section 1211 of this chapter and Volume 4, Chapter 3 of this Regulation for reporting requirements. Delinquent accounts receivable are aged based on the date of delinquency. See paragraph 120401 of this chapter for guidance on date of delinquency. See Volume 15, Chapter 5 for guidance on aging FMS arrearages and indebtedness.

120304. Write-off of Indebtedness

A. Non-FMS Foreign Accounts Receivable. Write-off of a non-FMS foreign accounts receivable is an accounting action that results in removing the public receivable from the DoD Component's accounting records/financial statements. Office of Management and Budget (OMB Circular A-129) states that write-off is mandatory for public delinquent accounts receivable that have not been collected within two years of delinquency unless documented and justified to OMB in consultation with the Department of the Treasury. The ARO will request the DoD Component fund holder concurrence to write-off a non-FMS foreign accounts receivable. The DoD Component fund holder will advise the ARO on whether or not to categorize the accounts receivable as CNC or close it out if statutory authority exists. See Volume 4, Chapter 3 of this Regulation for additional procedures to write-off an accounts receivable.

B. FMS Arrearage. See Volume 15, Chapter 2 of this Regulation for guidance on write-off authority.

120305. Currently Not Collectible

CNC is a category of accounts receivable that have been written off, but cost effective collection efforts will continue. Accounts receivable that have been categorized as CNC will continue to be reported on the Treasury Report on Receivables (TROR).

120306. Close-out of Accounts Receivable

Close-out of accounts receivable is a determination made after write-off that further collection action is either prohibited or there are no plans to take any future active or passive actions to try to collect the accounts receivable. Foreign accounts receivable will be closed out

only if there is statutory authority to do so. The ARO will coordinate with the DoD Component fund holder, the FDMO, and the DoD Component Office of the General Counsel as appropriate prior to closing out a non-FMS foreign accounts receivable. DSCA is responsible for initiating and coordinating all actions necessary to close out FMS arrearages.

*1204 BILLING AND FOLLOW-UP ACTIONS

120401. Non-FMS Foreign Accounts Receivable

A. Due Date. All non-FMS foreign accounts receivable will be due 30 days from the date of the bill/demand letter unless otherwise stated in the bill, contract, or agreement between the DoD Component and the foreign entity. The bill/demand letter will include a 60-day grace period. The non-FMS foreign accounts receivable becomes delinquent on the 91st day from date on the bill/demand letter if unpaid and is aged from the 91st day. For these types of accounts receivable, the date of delinquency is the date of the bill/demand letter.

B. Initial Billing

1. The ARO will prepare and send initial billings for goods and/or services for all non-FMS foreign accounts receivable. AROs may include the information listed in paragraph 120401.B.2 of this chapter in the initial billing.

2. The ARO will prepare and send the initial demand letter for non-FMS foreign accounts receivable that are the result of an erroneous payment. The demand letter will include, at a minimum, the following information:

- a. Basis for and amount of the indebtedness.
- b. The date by which payment must be made in full in order to avoid interest, fees, administrative charges, and collection by administrative offset.
- c. The address where payment should be sent or information regarding submission of electronic payment.
- d. The right to request a review of the indebtedness.
- e. The applicable standards (e.g., 31 U.S.C. 3717) upon which any interest, penalties, or administrative charges are based.
- f. Notification that the principal, interest, fees, and administrative charges shall be subject to collection by offset if payment is not received by the due date.
- g. The name, address, and telephone number of a point of contact in the ARO.

h. Remedies that will be used to enforce payment of the indebtedness (e.g., administrative offset or litigation).

i. Any available documentation that substantiates the indebtedness.

j. Other appropriate information, if applicable, including the ARO's willingness to discuss alternative methods of payment.

k. Opportunity to inspect and copy records related to the indebtedness.

l. Opportunity to make a written agreement to repay the indebtedness.

C. Follow-up Actions

1. The ARO will perform follow-up actions on all non-FMS foreign accounts receivable. If payment is not received by the end of the grace period, due date, or other date specified in the agreement between the DoD Component and the foreign entity, then the ARO will immediately send a written follow-up letter advising the foreign entity that administrative offset procedures will be initiated unless payment is received within 30 days. Include the information listed in paragraph 120401.B.2 of this chapter if not included in the initial billing/demand letter. Only one follow-up letter is required.

2. The ARO will maintain a copy of all follow-up actions.

3. The ARO will not refer delinquent foreign indebtedness to the Department of the Treasury for cross-servicing or for participation in the Treasury Offset Program.

120402. FMS Transactions

A. Due Date. See Volume 15, Chapter 8 of this Regulation for guidance on due dates for FMS billings.

B. Initial Billing. DFAS SCA is responsible for issuing FMS billing documents. See Volume 15, Chapter 8 of this Regulation for specific guidance on FMS billings.

C. Follow-up Actions. Cash in advance of performance is required for FMS customers unless the President determines it to be in the national interest to collect upon delivery of the defense article or the rendering of the defense service. See 22 U.S.C. 2761. Therefore, in the FMS program, an arrearage is an unusual event. See Volume 15, Chapter 5 of this Regulation for additional guidance on FMS arrearages. Delinquent FMS arrearages will not be referred to the Department of the Treasury for cross-servicing or for participation in the Treasury Offset Program.

***1205 DISPUTED FOREIGN INDEBTEDNESS**

If the foreign entity notifies the ARO, DSCA, DFAS SCA, FDMO, or the DoD Component fund holder in writing, that they dispute the amount of the bill or the bill itself, then the office which received the written notification will work with the foreign entity, the DoD Component fund holder, the other applicable offices involved in collection of the foreign indebtedness, and the applicable DoD Component Office of the General Counsel to settle the dispute.

1206 INTEREST, PENALTIES, AND ADMINISTRATIVE CHARGES*120601. Non-FMS Foreign Accounts Receivable**

Title 31, United States Code, section 3717 and the *Federal Claims Collection Standards (FCCS)* authorize the assessment of interest, penalty, and administrative charges on delinquent accounts receivable. Interest, penalties, and administrative charges may be assessed on delinquent non-FMS foreign accounts receivable unless prohibited by a Status of Forces Agreement or other treaty. All interest, penalty, and administrative charges assessed on delinquent non-FMS foreign accounts receivable will be computed based on the delinquency date and will be recorded in the DoD Component accounting system. See paragraph 120401.A of this chapter for discussion on delinquency date and refer to Volume 4, Chapter 3, Annex 1 of this Regulation for additional guidance on interest, penalties, and administrative charges.

120602. FMS Arrearage

In accordance with *22 U.S.C. 2761(d)* and *22 U.S.C. 2762(a)*, interest shall be charged on FMS arrearages. See Volume 15, Chapter 5 of this Regulation for detailed guidance on assessing the interest.

1207 ADMINISTRATIVE OFFSET FOR COLLECTION OF NON-FMS FOREIGN ACCOUNTS RECEIVABLE*120701. Statutory Authority**

Title 31, United States Code, Section 3716 authorizes DoD to collect accounts receivable through administrative offset. This authority includes administrative offset from non-FMS entitlements payable to a foreign entity to settle a non-FMS foreign accounts receivable owed by the same foreign entity.

120702. Attempt to Offset

If the foreign entity did not pay the amount of the indebtedness, did not dispute the indebtedness, or did not respond to either the initial bill/demand letter or follow-up letter, then the ARO shall attempt to collect the indebtedness (accounts receivable) through use of internal administrative offset procedures. The ARO will attempt to collect through administrative offset for 60 days starting on the 31st day after the written follow-up letter was mailed. Internal

administrative offset procedures are when the ARO works with the supporting accounts payable office to determine if a payment is due a foreign entity that also has an indebtedness.

120703. Notification of Intent to Collect Through Administrative Offset

The ARO must notify the foreign entity of the intent to collect the indebtedness through administrative offset prior to initiating the process. The notification of intent to collect through administrative offset may be included in the initial bill/demand letter or may be provided in the follow-up letter (see paragraph 120401.B of this chapter). When not included in a previous demand for payment, the written notification of intent to collect through administrative offset must include, at a minimum, the following information:

- A. Basis for and amount of the indebtedness.
- B. Basis for and amount of the entitlements payable to be used towards liquidation of the indebtedness.
- C. The date by which payment must be made in full in order to avoid collection by administrative offset.
- D. The address where payment should be sent or information regarding submission of electronic payment.
- E. The rights to request a review of the indebtedness.
- F. The name, address, and telephone number of a point of contact in the ARO.
- G. Any available documentation that substantiates the indebtedness.
- H. Other appropriate information, if applicable, including the ARO's willingness to discuss alternative methods of payment.
- I. Opportunity to inspect and copy records related to the indebtedness.
- J. Opportunity for a review of the determination of the indebtedness.
- K. Opportunity to make a written agreement to repay the indebtedness.

120704. Notification that Administrative Offset was Taken

If collection of the indebtedness is accomplished through administrative offset, then the ARO will immediately send a notification to the foreign entity and the FDMO advising them of the amount collected and the remaining, if any, balance of the indebtedness.

***1208 REFERRING DELINQUENT NON-FMS FOREIGN ACCOUNTS RECEIVABLE TO THE FDMO**

120801. ARO Responsibilities

The ARO Will:

A. Ensure that actions required in paragraphs 120401, 120702, and 120703 of this chapter are completed.

B. Complete any previously initiated actions such as settling disputes or appeals before referring delinquent non-FMS foreign accounts receivable to the FDMO.

C. Coordinate with the DoD Component fund holder before referring the delinquent non-FMS foreign accounts receivable to the FDMO.

D. Include in the referral the recommended course of action, i.e., forward to DOJ for litigation, acceptance of compromise offer if less than or equal to \$100,000, approval of suspension of collection action or termination of collection action if less than or equal to \$100,000, or forward to DOJ offers of compromise over \$100,000 and requests for suspension or termination of collection action over \$100,000.

E. Refer delinquent non-FMS foreign accounts receivable, regardless of amount, to FDMO no later than 120 days from date of follow-up letter.

F. Use a transmittal letter to control referral of eligible delinquent non-FMS foreign accounts receivable to FDMO. See Figure 12-1 of this chapter for a sample transmittal letter. Prepare the transmittal letter in duplicate and send it to DFAS-IN, ATTN: FDMO, Column 208F, 8899 E. 56th Street, Indianapolis, IN 46249-3300. Identify on the transmittal letter all attached case files. Include the name, email address, and telephone number for the ARO point of contact and the DoD Component fund holder point of contact. Attach, at a minimum, a copy of the following documentation for each debt being referred:

1. Copy of coordination with DoD Component fund holder.
2. Copy of the original bill or other demand for payment.
3. Principal amount of original debt with complete accounting classification and fiscal year to be credited with any collections. Include a copy of the original disbursement voucher when the debt is the result of a previous payment.
4. Date the accounts receivable was due.
5. Amount of accrued interest, administrative charges, and penalty fees.
6. Copies of any follow-up correspondence.

7. Amounts and dates of any prior collections (and the accounting classification credited). Include a copy of the collection voucher when the collection was not processed through administrative offset.

8. Copies of resolution of any disputes.

9. Documentation to support attempts at administrative offset.

10. Any other relevant documentation or information regarding the accounts receivable.

11. Statement certifying that the amounts of the accounts receivable being referred are correct and that they are delinquent, valid, and legally enforceable. See Figure 12-2 of this chapter for a sample certification statement.

G. Correct any errors in packages returned by FDMO for correction/additional action and send the package back to FDMO using a new transmittal number.

120802. FDMO Responsibilities

The FDMO, within 60 days of receiving the delinquent non-FMS foreign accounts receivable package, will

A. Assist AROs in the centralized management of delinquent non-FMS foreign accounts receivable.

B. Return non-FMS foreign accounts receivable packets requiring additional collection action and packets with incomplete documentation to the ARO with an explanation of the reason for the return.

C. Date and return the duplicate copy of the transmittal letter to the ARO.

D. Attempt to collect the non-FMS foreign accounts receivable through DFAS-wide administrative offset procedures for the first six months following receipt of package.

E. Prepare and submit to DOJ requests for litigation when there is evidence that legal action is necessary to ensure collection of the non-FMS foreign accounts receivable.

F. Approve or disapprove requests for acceptance of compromise proposal or request to suspend or terminate collection action on non-FMS foreign accounts receivable of \$100,000 or less and notify the ARO of action taken.

G. Prepare and submit to DOJ requests for compromise, suspension, or termination on non-FMS foreign accounts receivable over \$100,000 in accordance with section 1209 of this chapter.

H. Notify ARO when a request for compromise, suspension, or termination on the non-FMS foreign accounts receivable over \$100,000 has been forwarded to DOJ.

I. Provide ARO with DOJ's response to request for compromise, suspension, termination, or litigation.

*1209 REFERRAL TO DEPARTMENT OF JUSTICE FOR LITIGATION

120901. General

In accordance with 31 C.F.R. 904.1, DoD may refer to DOJ for litigation debts on which aggressive collection activity has been taken and that cannot be compromised, suspended, or terminated.

120902. Authority to Refer non-FMS Foreign Indebtedness

The FDMO or the DoD Component, for non-FMS foreign indebtedness not referred to DFAS, will determine if a non-FMS foreign indebtedness will be referred to DOJ for litigation.

120903. Authority to Refer FMS Indebtedness

DSCA will determine if an FMS arrearage will be forwarded to DOJ for litigation.

120904. Documentation

When litigation is appropriate, the FDMO, DoD Component, or DSCA will complete the Claims Collection Litigation Report (CCLR), accompanied by a signed Certificate of Indebtedness, to refer uncollectible indebtedness to DOJ for litigation. The FDMO or DoD Component will complete all of the sections of the CCLR appropriate to the indebtedness as required by the CCLR instructions and furnish other information as may be required. Indicate on the CCLR what actions are requested of DOJ (i.e., enforced collection, judgment lien, etc.).

120905. Minimum Amount for Referral of Foreign Indebtedness

DoD will not refer a foreign indebtedness to DOJ for litigation that is less than \$2,500, exclusive of interest, penalties, and administrative costs without consulting with the Financial Litigation Staff of the Executive Office for United States Attorneys in DOJ.

120906. Preservation of Evidence

The FDMO, DoD Component, or DSCA will retain all files and records that may be needed by DOJ to prove the case in court.

1210 COMPROMISE, SUSPENSION, OR TERMINATION OF COLLECTION ACTIONS*121001. Authority**

A. The FCCS (31 C.F.R. 900-904) provides authority for DoD to compromise, suspend, or terminate collection action on indebtedness of \$100,000 or less (excluding interest, penalties, and administrative costs). This authority has been delegated to DFAS for receivables arising out of the activities of, or referred to, DFAS. DOJ has authority to compromise, suspend, or terminate collection action on indebtedness exceeding \$100,000.

B. Only DOJ has authority to compromise, suspend, or terminate collection action on an indebtedness that is based in whole or in part on conduct in violation of the antitrust laws or involves fraud, the presentation of a false claim, or misrepresentation on the part of the debtor.

121002. Determination of \$100,000

Indebtedness may not be subdivided to avoid the \$100,000 ceiling. The \$100,000 is a single debt, transaction or contract (excluding interest, penalties, and administrative costs). The dollar amount is computed on a contract or transaction basis (for FMS debts, the Letter of Offer and Acceptance represents a transaction).

121003. Coordination

A. The ARO will coordinate proposals to compromise, suspend, or terminate collection actions on all non-FMS foreign accounts receivable, regardless of amount, with the applicable DoD Component fund holder.

B. DFAS SCA, in cooperation with the DoD Component, will coordinate proposals to compromise, suspend, or terminate collection actions on FMS arrearages with DSCA.

121004. Compromise

A. Compromise is the acceptance of less than the full amount of the indebtedness in full satisfaction of the entire amount of the indebtedness. Compromises generally should not be accepted if the foreign entity requests to pay the amount of the compromise in installment payments. See 31 C.F.R. 902 for additional guidance on when a compromise can be approved.

B. DFAS has the authority to approve an offer for a compromise on an indebtedness arising out of the activities of, or referred to DFAS, when the principal amount does not exceed \$100,000. DoD Components have authority to approve an offer for a compromise for an indebtedness not referred to DFAS when the principal amount does not exceed \$100,000.

C. DOJ has authority to approve an offer for a compromise on all indebtedness exceeding \$100,000.

D. If the FDMO or the DoD Component is uncertain whether or not to accept the compromise offer, and the offer is within the limits for which the FDMO or DoD Component has authority, then they may refer the offer to DOJ.

121005. Suspension of Collection Action

A. Suspension of collection action is a determination to temporarily cease collection action. See 31 C.F.R. 903.2 for additional guidance on the suspension of collection action.

B. DFAS has authority to suspend collection action on an indebtedness arising out of the activities of, or referred to DFAS, when the principal amount does not exceed \$100,000 exclusive of interest, penalties, and administrative costs, after deducting the amount of any partial payments or collections. DoD Components have authority to suspend collection action on an indebtedness not referred to DFAS when the principal amount does not exceed \$100,000.

C. DOJ has authority to suspend collection action on an indebtedness if, after deducting the amount of any partial payments or collections, the principal amount of a debt exceeds \$100,000 exclusive of interest, penalties, and administrative costs.

121006. Termination of Collection Action

A. Termination of collection action is a determination to cease collection action with no intent to resume collection action at a later date. This generally occurs for example, when the ARO is unable to collect any substantial amount through its own efforts or those of others or the costs of collection are anticipated to exceed the amount recoverable. If the ARO determines, with assistance from the DoD Component fund holder, that an indebtedness is erroneous or clearly without legal merit, then the ARO may terminate collection action, regardless of the amount, without FDMO or DOJ concurrence. See 31 C.F.R. 903.3 for additional guidance on the termination of collection action.

B. DFAS has authority to terminate collection action on an indebtedness arising out of the activities of, or referred to DFAS, when the principal amount does not exceed \$100,000. DoD Components have authority to terminate collection action on an indebtedness not referred to DFAS when the principal amount does not exceed \$100,000.

C. DOJ has authority to terminate collection action on an indebtedness exceeding \$100,000.

121007. Forwarding Requests to DOJ

A. Authority. In accordance with 31 C.F.R. 904.2(c), requests to compromise the claims or to suspend or terminate collection action for an indebtedness over \$100,000 will be forwarded to DOJ using a CCLR. The CCLR will be forwarded to Director, Commercial Litigation Branch, P.O. Box 875, Ben Franklin Station, Washington, D.C. 20044.

B. Non-FMS Foreign Accounts Receivable. After referring the non-FMS foreign accounts receivable to DOJ, either the FDMO or the DoD Component, for receivables not forwarded to DFAS, will:

1. Notify the ARO when the referral has taken place.
2. Take no further action on the accounts receivable.
3. Notify DOJ of any payments received after referral to DOJ.
4. Refer inquiries from the foreign entity regarding the accounts receivable to DOJ.
5. Provide ARO with response from DOJ.

1211 REPORTING FOREIGN INDEBTEDNESS

121101. General

A. Country Codes. DoD Components will use the country codes listed in the TFM, Volume I, Part 2, Chapter 4500, Appendix 2.

B. Program Codes. DoD Components will use the Program Codes listed in the TFM, Volume I, Part 2, Chapter 4500, Appendix 3.

121102. Required Reports

A. Grants, Loans, Credits, and Contingent Liabilities Involving Foreigners. The TFM, Volume I, Part 2, Chapter 4500 requires the electronic submission of several reports pertaining to foreign obligors to the Department of the Treasury by the 45th day following the end of a reporting quarter, if applicable. These reports are prepared and submitted by DFAS SCA. The data for these reports is extracted from the DSCA FMS Credit System. Detailed guidance, formats for the reports, and instructions for completing and submitting the reports are provided in the TFM, Volume I, Part 2, Chapter 4500. DFAS SCA must complete the quarterly data editing and approval process using Treasury's Foreign Credit Reporting System (FCRS) within 2 weeks after receiving notification that the reporting period data is available for editing. These instructions are found in the "FCRS Web Site Overview and Data Editing Guide for Agency Users," which is available only to authorized users on the FCRS Web site. The required reports are:

1. Direct Long-Term Credits History (DH).

2. Guarantees and Insurance of Long-Term Credits History (GH).
3. Direct Long-Term Credits Status (DS).
4. Guarantees and Insurance of Long-Term Credits Status (GS).
5. Direct Long-Term Credits Scheduled Payments (DP).
6. Guarantees and Insurance of Long-Term Credits Scheduled Payments (GP).

B. Report of Current Status Accounts Receivable (Original Maturity of Less Than 90 Days) From Foreign Obligors. DFAS SCA is responsible for preparing and submitting this report to the Department of Commerce, [Economics and Statistics Administration, Bureau of Economic Analysis](#). See paragraph 121103 of this chapter for instructions on how to complete the report.

C. Treasury Report on Receivables (TROR). DFAS and DoD Component accounting offices will ensure that foreign indebtedness is included in the TROR. See Volume 4, Chapter 3 of this Regulation.

121103. Instructions for Preparing the Report of Current Status of Accounts Receivable (Original Maturity of Less Than 90 Days) From Foreign Obligors)

All foreign accounts receivable not collected within 90 days from the due date will be included in this report.

A. General Instructions. At the end of the quarter, use the sample format at Figure 12-3 to report the status of accounts receivable from foreign obligors.

1. Report all amounts to the nearest dollar or dollar equivalent.
2. List all entries by country name in alphabetical order.
3. Report entries within each country by program or legislative authorization applicable to the accounts receivable outstanding.
4. Report country totals when accounts receivable are reported for more than one program for a country.
5. Report program totals when more than one country is listed for a specific program.
6. Report DoD Component totals when more than one program is reported for a DoD Component.

7. Report all totals when more than one program total is reported. List all totals as one entry representing the combined total of U.S. dollars and dollar equivalent amounts reported.

8. For continuing operations involving periodic settlement of accounts on a net settlement basis, the net balances representing receivables are to be reported.

B. Reporting of Sales Under 120-Day Delayed Payment Terms. Sales made by DoD Components under existing FMS cases which provide for 120-day payment terms will be classified as short-term credit sales. Classify sales made after September 30, 1976, under special emergency appropriations which provide for payments 120 days after delivery of articles or services as short-term credit sales.

C. Reporting FMS. Amounts reported for FMS in columns 3 through 6 of Figure 12-3 will be determined by analyzing unpaid bills using the following guidance:

1. Report an amount in column 3 for a country, if the amount recorded in column 10 of the [DD Form 645 \(Foreign Military Sales Billing Statement\)](#) exceeds either the total in column 13 of the [DD Form 645](#) on a net country basis (adjusted for over-collected cases) plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed foreign military financing (FMF)); or the total of the amount paid on the DSCA supplementary bill plus the country's cash resources (including holding accounts, interest-bearing accounts, and undisbursed FMF).

2. Do not report the country as having delinquent accounts receivable if the amount in column 13 of the [DD Form 645](#) exceeds the amount in column 10 of the [DD Form 645](#) and/or the cash resources exceed a 6-month supply.

3. DSCA will review the reports to determine the values to be reported in column 3 of Figure 12-3.

4. Report in column 5 of Figure 12-3 the amounts reported for the previous quarter less collections received during the current period.

D. Other Programs. For other programs, the amount of outstanding bills and any delinquent accounts receivable will be reported as accounts receivable unless specific credit terms have been authorized in a country-to-country agreement or similar document.

E. Specific Instructions. Use the following instructions to complete Figure 12-3:

1. **Reporting Agency.** Enter the name of the reporting agency and the applicable agency codes. Agency codes are as follows:

a. 9700 – DSCA

- b. 9710 – Air Force
- c. 9720 – Army
- d. 9730 – Navy.

2. Current Status As Of. Enter the ending date of the calendar quarter for which the report is prepared. For example, the first and second quarter of calendar year 2008 will be identified as 081 and 082, respectively. Enter in the open space the actual ending date of the quarter.

3. Country/Program (Column 1)

a. Enter on the first line the name of the first country from the alphabetical list of country names and codes provided in the [TFM, Volume I, Part 2, Chapter 4500, Appendix 2](#). Enter in column 7 the identification code assigned to the country.

b. Enter on the line following the country designation each program applicable to the outstanding accounts receivable. Enter in column 8 the identification code assigned to the program.

4. Currency Indicator (Column 2). Enter the codes listed below. Foreign currency obligations shall be reported in dollar equivalents (FC\$) computed at the appropriate reporting rate.

- a. \$ – Repayable in U.S. dollars.
- b. MO\$ – U.S. dollar equivalents of obligations to pay foreign currency amounts equivalent to a stated amount of U.S. dollars calculated at the reporting rate existing for that country at the time of payment (with maintenance of dollar value).
- c. FC\$ – U.S. dollar equivalents of obligations, the liquidation of which requires repayment of a stated amount of foreign currency units (without maintenance of dollar value).

5. Total Amount Outstanding – Official (Column 3). Enter the total amount of outstanding accounts receivable from foreign official obligors as of the end of the reporting period. Include foreign private obligations guaranteed by official foreigners.

6. Total Amount Outstanding – Private (Column 4). Enter the total amount of outstanding accounts receivable from foreign private obligors as of the end of the reporting period. Exclude foreign private obligations guaranteed by official foreigners.

7. Amount Due and Unpaid 90 Days or More – Official (Column 5). Enter the portion of the amount recorded in column 3 which is due and unpaid 90 days or more.

8. Amount Due and Unpaid 90 Days or More – Private (Column 6).

Enter the portion of the amount recorded in column 4 which is due and unpaid 90 days or more.

9. Country Totals. In column 1, enter the words “Country Totals” on

the line following the data for the last program reported. Leave column 2 blank. Enter in columns 3 through 6 the totals of the amount (U.S. dollars plus dollar equivalents of transactions computed in foreign currency) reported for the programs within that country. A separate entry for country totals will not be necessary where only one program has been reported. Repeat this for each country.

10. Program Totals. In column 1, enter the words “Program Totals”

on the line following the last country totals. On subsequent lines, enter in columns 1 and 8 the name and identification code, respectively, for each program. Leave column 2 blank. Enter in columns 3 through 6 the totals of the amounts (U.S. dollars plus dollar equivalents of transactions computed in foreign currency) reported by country for each program. Separate entries for program totals will not be necessary where only one country has been listed.

11. Agency Totals. In column 1, enter on the line following the last

program totals the words “Agency Totals.” Leave column 2 blank. Enter in columns 3 through 6 the totals of all agency programs. A separate entry for agency totals will not be necessary where only one program total has been reported.

121104. Flash Report of Major Foreign Arrearages

Major foreign [arrearages](#) are monitored by the NAC. Periodically, [DSCA](#) will request flash reports from the DoD Components to satisfy NAC requirements. For this purpose, a “major” foreign [arrearage](#) is any country program [arrearage](#) which involves the sum of \$250,000 or more. Flash reports will be submitted directly to DSCA by the local command in message form with information copies to the next higher command. The report will reflect any significant changes in major foreign [arrearages](#) from the quarterly foreign accounts receivable reports submitted in accordance with this chapter. Collections, information or increased [indebtedness](#), problems encountered in unsuccessful collection attempts, or country circumstances which may adversely affect collections are examples of the information which should be included in the flash report.

121105. Collecting and Reporting of Foreign Debts Under Long-Term Loans and Debts

DSCA is responsible for administering FMS long-term loans and credit programs authorized by [Section 23 of the AECA](#), as amended, and determining foreign [arrearages](#) against these programs.

*Figure 12-1. Delinquent Non-FMS Foreign Accounts Receivable Transmittal Letter

**DELINQUENT NON-FMS FOREIGN
ACCOUNTS RECEIVABLE TRANSMITTAL LETTER**

From: Accounts Receivable Office
Address

TL No. _____

To: DFAS-IN
ATTN: FDMO
8899 East 56th Street,
Indianapolis, IN 46249-3300

ARO Completes Sections I, II, and III:

I. Action Requested

Check (x) one:

- ☐ A. \$100K or less; FDMO
☐ B. \$100K or less for Litigation
☐ C. Greater than \$100K; FDMO/DOJ
☐ D. Greater than \$100K for Litigation

Check (x) one: ☐ Compromise ☐ Suspend ☐ Terminate ☐ Litigation

II. Perform Actions in the DoDFMR, Volume 6A, Chapter 12

Complete actions in paragraphs 120401, 120702, and 120703.

Complete previous initiated actions such as settling disputes or appeals.

Prepare transmittal letter in duplicate.

Refer delinquent non FMS foreign accounts receivable to FDMO no later than 120 days from date of follow-up letter.

III. Documentation Required

On the bottom of each document write the appropriate letter (a-k) and forward to FDMO.

- ☐ a) Accrued interest, administrative charges and penalty
☐ b) Administrative offset attempts
☐ c) Bill or demand for payment
☐ d) Certification Statement that debt amount is correct, delinquent, valid and legally enforceable
☐ e) Copies of follow-up correspondence and dispute resolutions
☐ f) Date account receivable became known and due. Date _____
☐ g) Dates and amounts of prior collections

*Figure 12-1 (cont.) Delinquent Non-FMS Foreign Accounts Receivable Transmittal Letter

- ___h) DoD Component fund holder coordination
- ___i) Packages that were returned by FDMO that have been corrected and resubmitted
- ___j) Principal amount, accounting classification, fiscal year, and disbursement voucher
- ___k) Other relevant information
- ___Total Documents

IV. Additional Documents Required for Litigation

Perform actions listed in sections I through III and attach the documentation listed below. On the bottom of each document, write the appropriate letter (x-z).

- ___x) Certificate of Indebtedness
- ___y) Claims Collection litigation Report
- ___z) Support from Financial Litigation Staff - DOJ for \$2,500 or less
- ___Total Documents

V. Points of Contact

Accounts Receivable Office:

Name:

Email:

Phone:

DoD Component Fund Holder:

Name:

Email:

Phone:

FDMO to Complete

Package Status

___Accepted.

___Not Accepted. Enter explanation below and return TL and package to ARO.

Explanation for return:

Reviewed by: _____

Date _____

Figure 12-2. Sample Certification Statement

DELINQUENT NON-FMS FOREIGN ACCOUNTS RECEIVABLE
CERTIFICATION STATEMENT

Debt Due: \$ _____

Debtor/Foreign Entity _____

I certify that records show that the debtor named above is indebted in the amount stated above is correct, delinquent, valid and legally enforceable.

Signature _____

Printed Name _____

Title _____

Date _____

Figure 12-3. Sample Report Format

**REPORT OF CURRENT STATUS OF ACCOUNTS RECEIVABLE
(ORIGINAL MATURITY OF LESS THAN 90 DAYS)
FROM FOREIGN OBLIGORS**

[illegible]

VOLUME 6A, CHAPTER 13: “INTERNATIONAL BALANCE OF PAYMENTS REPORTING AND ESTIMATING”

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated December 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Clarified guidance to reflect the current procedures for obtaining country codes.	Update
Multiple	Modified hyperlinks in accordance with the current Financial Management Regulation (FMR) writing procedures.	Update
130102.B.8	Insert a description detailing transaction types submitted by the Military Postal Service (MPS).	Add
130108.D	Added a requirement for International Balance Of Payments (IBOP) submitters to review new (or discontinued) appropriations to ensure any adjustments affecting the IBOP are reflected in the quarterly reports.	Add
130108.N.4.b	Updated to align with the current process for submitting cross disbursements.	Update
130108.N.4.c (December 2009)	Deleted due to the process being superseded by new accounting systems which capture this data.	Delete
130109.B.2.c	Updated to identify the listed Foreign Military Financing (FMF) account.	Update
130109.D.1.c	Added information regarding the proper handling of electronic payments.	Add
Table 13-1	Updated to include descriptions for data submitted to the Department of Commerce.	Update
Table 13-2 (December 2009)	Deleted Table 13-2 due to the process being superseded by new accounting systems which capture this data. The subsequent tables have been renumbered accordingly.	Delete
Table 13-7	Updated the current list of International Organizations which are to be used for DoD IBOP reporting.	Update
Table 13-12	Updated to reflect the current reporting format.	Update

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Table 13-13	Updated table to reflect the current line item captions and descriptions according to guidance provided by the Department of Commerce.	Update
Table 13-15	Updated to reflect the current reporting format.	Update

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CHAPTER 13

**INTERNATIONAL BALANCE OF PAYMENTS
REPORTING AND ESTIMATING**

1301 OVERVIEW

Department of Defense (DoD) Components are required to report expenditures and receipts that affect the United States (U.S.) International Balance of Payments (IBOP). The IBOP report provides information required by the Department of Commerce and the Department of the Treasury for control of IBOP financial transactions.

130101. Purpose

This chapter establishes the policies and procedures for the accounting and reporting of DoD international transactions related to U.S. balance of payments data, including grants and credits extended to foreign countries.

130102. Applicability and Scope

A. These requirements apply to the Office of the Secretary of Defense (OSD), the Military Departments (Army, Navy, Air Force, and Marine Corps), Defense Agencies (including the Military Postal Service (MPS) and nonappropriated fund activities), and DoD Field Activities (hereafter referred to collectively as “DoD Components”). DoD Components are responsible for reporting transactions affecting the IBOP. Each Defense Finance and Accounting Service (DFAS) Site (Indianapolis, Columbus, and Cleveland) is responsible for consolidating the data for the DoD Components and submitting a final report to the Department of Commerce. While DFAS reports a majority of the IBOP data, the Department of Commerce has identified specific information to be reported directly by select DoD components.

B. The procedures cover all transactions that relate to the IBOP report, including specified data on DoD assets and liabilities abroad and foreign currency transactions, DoD international investments, foreign military sales (FMS), transfers of property and services abroad, and foreign grants and credits. This chapter’s requirements apply to all transactions, regardless of payment method (e.g., U.S. dollars, foreign currency, purchase card) that are accounted for in any of the following:

1. Fund Types. Expenditures from or reimbursements to U.S. dollar appropriation and fund accounts (general and special funds, public enterprise funds, deposit funds, and trust fund accounts for military and civilian functions).
2. Transfer Appropriation Accounts. Transfer appropriation accounts including FMS.

3. General Fund Receipt Accounts. General fund receipt accounts established by the Department of [the](#) Treasury for collection of miscellaneous receipts for which the DoD has billing and collecting responsibility.

4. DoD Foreign Currency (Foreign Transaction (FT)) Accounts. Expenditures or receipts of foreign currencies charged or credited to other than U.S. dollar appropriation and fund accounts (such as to “FT” accounts).

5. Receipts. Receipts or donations of commodities or services.

6. Transfers. Transfers under special drawdown authority of the President, Excess Defense Articles (EDA) program, [or](#) international treaties.

7. DoD Nonappropriated Fund Accounts. Nonappropriated fund activities, such as commissaries, post exchanges, and officer’s clubs.

* 8. MPS Accounts. [MPS transactions, such as meters \(including Postage Validation Imprinters \(PVI\) Sales\), stamps, and money orders.](#)

130103. Report Formats & Rules

The report formats and edit and validation rules for submission are provided in Tables 13-1 [through 13-4](#). [Sample formats are shown in Tables 13-10 through 13-12.](#)

130104. Definitions

A. Abroad. Includes all foreign countries and the Panama Canal Commission, [but](#) excludes the U.S., its possessions, Puerto Rico, Guam, and the U.S. Virgin Islands.

B. Accommodation Sales. The sale of foreign currencies for dollars to U.S. personnel for their personal use in a foreign country.

C. Collection. Receipt in currencies (both foreign and U.S.), checks, or other negotiable instruments and net of repayments.

D. Constructive Delivery. The delivery of materiel to a carrier for transportation to the consignee, the delivery of materiel to the customer or the designated forwarder at point of production, testing or storage, delivery at dockside, at airports, or to a U.S. post office for shipment to the consignee. Delivery is evidenced by completed shipping documents or listings of delivery to the U.S. post office.

E. Contract. Any type of agreement or order for procurement of materiel, supplies, and services of any amount [including](#) purchase orders, delivery orders, service orders, and similar authorizations.

F. DoD Components. See subparagraph 130102.A.

G. Delivery. The performance of services for the customer or requisitioner; the constructive delivery of materiel as defined in subparagraph 130104.D, or collections for services, transportation, and materiel when they are normally recorded in the billing and collection cycle immediately following performance.

H. Foreign Military Sales. The transfer of materiel, supplies, equipment, services, and any other support for cash or credit by a DoD Component to a foreign government or international organization as authorized by the “Arms Export Control Act of 1976,” as amended.

I. Foreign Resident. The government of a foreign country and all its agencies and subdivisions, corporations, and any individuals residing in a foreign country, **except for those defined in the following:**

1. Corporations. A resident of the country in which it is incorporated. A subsidiary is **counted as** a separate corporation and is a resident in the country where it is incorporated. Business offices and branches of U.S. corporations are residents of the countries where they are located. A corporation operating in a foreign country without a subsidiary or foreign business office or branch is a resident of the country in which it is incorporated. A business representative, however, such as the ticket office of a U.S. transportation company or a sales agent, is not considered to be a foreign business office.

2. Individual. An individual, including a retired U.S. citizen, is a resident of the country in which he or she resides - not the country of his or her citizenship.

3. International Organization. An international organization with multi-governmental members is not considered a resident of any particular country.

J. Gross Pay Foreign Nationals. Amount paid to or on behalf of a foreign national citizen or organization, including U.S. contributions to the foreign government, and fees charged by a foreign government under contracts for indirect hire.

K. Net Pay U.S. Personnel. Earned entitlements (pay and allowances) for U.S. military forces, including allowances to enlisted personnel for subsistence, and amounts earned or otherwise payable to U.S. civilian employees. **Net** pay excludes U.S. contributions (e.g., life insurance, retirement, **health** benefits, and social security), but includes amounts that may be withheld from personnel for these items or that are allotted to designated individuals or institutions.

L. Guaranty Financing. The guaranty of private credit by the U.S. Government under the “Arms Export Control Act of 1976,” as amended.

M. Interest. Includes interest collected on military assistance or foreign military long-term credit, interest collected by finance and accounting officers for short-term

deposits made in financial institutions that share in interest remitted to a DoD Component under Guaranty Financing arrangements, and interest on advances to foreign residents.

N. Joint Weapons Production and Exchange Agreements. Includes both production of military end items by a foreign country or resident with participation by a DoD Component through payment of cash, or the provision in kind of materiel, assemblies, components, or services, and a joint sharing of the end items as determined by the agreement. Also includes co-production, cost sharing, exchange agreements, joint production, North Atlantic Treaty Organization (NATO) consortiums, and others as authorized by the “Arms Export Control Act of 1976,” as amended.

O. Military Assistance Grant Aid. The provision of any type of assistance in the form of materiel, supplies, equipment, facilities, training, transportation and services, or otherwise by a DoD Component to a foreign government or international organization to provide support as authorized by the “Arms Export Control Act of 1976,” and the “Foreign Assistance Act of 1961,” both as amended, including Foreign Military Financing (FMF), International Military Education and Training (IMET), Military-to-Military Contact Program, Special Drawdown Authority, EDA Program, and Military Assistance Service Funded (MASF) programs.

P. Military Postal Service (MPS). The MPS is the single DoD point of contact with the United States Postal Service (USPS). An agreement between the DoD and the USPS establishes the MPS as an extension of the USPS abroad.

Q. Net Pay. Net pay is the part of gross pay that is given, mailed, or electronically transferred directly to the individual by cash, check, or electronic transfers. This can include paychecks mailed or transferred by a disbursing officer to any bank or financial institution for credit to the individual account of U.S. personnel stationed abroad. Net pay includes allotment checks for U.S. personnel stationed abroad or in the U.S. (for dependent support, personal accounts) mailed to a foreign address (including Army Post Offices (APO), Fleet Post Offices (FPO), and Diplomatic Post Offices (DPO) for foreign addressees), but excludes allotment checks mailed to a U.S. address.

R. Other Assistance Grant Aid. DoD outlays from appropriations or sections of appropriations that specifically support U.S. foreign assistance (as authorized under the Foreign Assistance Act (FAA) as amended, and other legislation) are IBOP grant aid. These DoD outlays represent the value of goods and services delivered to foreign individuals, governments, or international organizations under specific U.S. foreign assistance programs that include, but are not limited to: Overseas Humanitarian, Disaster, and Civic Aid Defense (97X0819); Cooperative Threat Reduction Account, Defense (97X0134); Drug Interdiction and Counter-Drug Activities, Defense (in-country support only of 97X0105); and Overseas costs for Contingency Operations under section 607 of the FAA (reimbursed by special supplement appropriations).

S. Payment. Payment in currencies (both foreign and U.S.), checks, or other negotiable instruments and net of refunds.

T. Personnel Afloat. U.S. personnel whose duty station is aboard ship.

U. Progress Payment. Progress payments are payments made by a DoD Component to a contractor or other supplier on contractual procurement of goods or services as work progresses for delivery on a foreign military sale.

V. Real Property Transfer. The conveyance of military real property by a Military Department to a foreign resident or international organization.

* W. Returns to the United States. The portion of payments to contractors or suppliers that is remitted to the U.S., or spent or held in the U.S., as the result of procurement of U.S. end products, U.S. Services, and transportation on U.S. flag carriers for supply, service, or construction contracts. For rules applicable to the identification and reporting of returns to the U.S., see the Defense Federal Acquisition Regulation Supplement (DFARS), section 225.1103(1) and the clause at 252.225-7005.

X. U.S. Personnel. Includes U.S. military forces (active duty and Reserve Components, but excludes retired military personnel) and U.S. civilian employees (civil service, nonappropriated fund, and individual contract hire).

130105. Frequency and Distribution

The IBOP report should be prepared quarterly and is due to the Department of Commerce no later than 45 calendar days following the end of the quarter. DFAS Sites will be provided specific due dates by their respective DFAS Operations Directorate.

130106. Policy

It is DoD policy to operate overseas activities efficiently and effectively, and to reduce the balance of payments impact of these activities, when such reduction is consistent with U.S. national security goals and objectives. To support this policy, the Department maintains a mechanism to manage and control DoD transactions that enter the IBOP. This system provides for:

A. DoD-wide accounting for and reporting of IBOP transactions.

B. Evaluation and explanation of DoD IBOP transactions.

C. Use of uniform criteria, definitions, and procedures to report IBOP transactions.

D. Integration of IBOP management and the overall system of management within the Department.

130107. Responsibilities

A. Heads of the DoD Components and Director of DFAS shall:

1. Develop procedures for implementing the reporting requirements of this chapter.
2. Ensure that reports and data required under this Regulation are submitted on time and are complete and accurate.
3. Identify, for the Department of Commerce, the office responsible for submitting required data and points of contact (POCs) within respective organizations that can **both** provide supplemental information on specific IBOP transactions and resolve problems associated with collecting and processing data.

B. The DFAS **Site** Directors shall:

1. Administer and revise, as necessary, the reporting requirements of this chapter.
2. Ensure that the procedures prescribed are uniformly implemented.
3. Work with other DFAS **Sites** to provide technical assistance on collecting required data and preparing required reports. Each DFAS **Site** acts as the focal point for the assigned reporting organizations (**sites**) in providing technical assistance on collecting required data and preparing required reports.
4. Submit directly to the Bureau of Economic Analysis, U.S. Department of Commerce, data required by Office of Management and Budget Statistical Directive 19, "**Reports of the Department of Commerce on International Transactions**", May 3, 1978, as amended.

130108. Procedures

A. Finance and Accounting Data

1. Installation Level Procedures. The DoD Components and supporting DFAS **Sites** shall accumulate the data on payments and collections made by their respective disbursing activities as an integral part of installation level procedures. IBOP reports shall include all collection and disbursement data for the period covered by the report.
2. Nonappropriated Funds and MPS. Data on nonappropriated funds and MPS **accounts** shall be accumulated as an integral part of the applicable accounting and reporting procedures **and included in the quarterly report.**

B. Category and Country Codes on Vouchers

1. Codes. All payment and collection vouchers processed overseas **must** be coded with the appropriate category code and foreign country or international

organization code, as prescribed in Tables 13-8 and 13-9, prior to time of payment or collection. Vouchers processed overseas not entering the IBOP shall be coded with the “U.S.” country code.

* 2. Country Codes. Country codes shall be applied to vouchers processed in the U.S. only for those transactions entering the IBOP. A current list of country codes is available on the National Geospatial-Intelligence Agency (NGA) website (“Geopolitical Codes (Formerly FIPS PUB 10-4)”). If countries are not listed in the current guidance, send a request to NGA at geonames@nga.mil for a new code.

C. Coded Authorizations. To ensure that payment vouchers are coded properly to indicate category, procurement of U.S. end products, transportation or services, and country or international organization, authorizations such as purchase orders, delivery orders, and contracts that result in expenditures entering the IBOP shall be coded at the time of preparation whenever possible. These same codes shall be entered on the payment vouchers. When the authorization covers procurements of U.S. end products, transportation, or services, the percentage or amounts applicable to each procurement return category also shall be entered. Codes shall be entered on all authorizations for the following types of transactions:

1. Construction and Other Service Contracts, Including Contracts for Scientific and Technical Knowledge to Be Performed Abroad. In all cases where the contract, delivery order, or other procurement document is issued to a U.S. resident, appropriate codes that identify returns to the U.S. shall be included in the accounting classification.

2. Contracts for Procurement of Materials, Supplies, and Equipment Abroad. When the terms of the contract require the use of U.S. end products, appropriate codes that identify returns to the U.S. shall be included in the accounting classification on all contracts or other procurement documents issued to U.S. residents.

* D. New (or Discontinued) Appropriations. Each DFAS Site is responsible for modifying their associated tables to reflect new (or discontinued) accounts that affect IBOP. The Department of the Treasury’s Federal Account Symbols and Titles (FAST) Book lists receipt, appropriation, and other fund account symbols and titles assigned by the Department. The FAST Book lists accounts separately that were created (or discontinued) since the previous revision. Each DFAS Site must notify their submitters of any changes to the appropriations which are to be captured in the IBOP report. Any changes must be sent to Standards & Compliance, Corporate Reporting (CORPORATEREPORTING-IBOP@DFAS.MIL) so the changes can be implemented at other sites, if appropriate.

E. Transaction Review. Review IBOP transactions prior to submission for accuracy to ensure the final report is complete and includes all of the required data elements for submission to the Department of Commerce. DoD Components, accounting activities, and other reporting entities in the U.S. and at overseas locations shall ensure that reported IBOP transactions are consistent with total transactions reported in the Statement of Transactions (SOT) (SF 1220) and supporting Statement of Accountability (SOA) (SF 1219), including foreign transaction (FT) accounts.

F. Cross-Disbursing. Under cross-disbursing procedures, the appropriate disbursing office shall provide data on payment and receipt transactions to the DoD Component that has been assigned reporting responsibility. Under these procedures, reports shall include all of the data necessary for the DoD Component to report balance of payment expenditures and receipts for its accounts in accordance with the requirements of this chapter. The data shall include all supplementary information that is necessary to identify returns to the U.S. as stated in subparagraph 130109.B.1.c. The DoD Component having management control of the funds must include these transactions in its IBOP report. Cross-disbursing reporting procedures for each Military Department are stated in subparagraph 130108.N.4.

G. Appropriation Reimbursements. Enter appropriation reimbursements from foreign entities on the appropriate Collections lines in the Accounting Report (AR)-1, as shown in Table 13-10. Collections from U.S. personnel abroad, however, shall be entered in the appropriate “Less Receipts from U.S. Personnel” lines (i.e., “Payments”).

* H. Delivery Data. As outlined in DoD 5105.38-M (Security Assistance Management Manual), data regarding FMS deliveries, FMF grant aid deliveries, transfers under Special Drawdown Authority and the Excess Defense Articles program, Military-to-Military Contact Program, International Military Educational Training (IMET) Program, and transfers of real property will be prepared by the appropriate agencies.

I. Loans of Property. For any defense item loaned to a foreign government, central offices in each DoD Component shall maintain a record as outlined in DoD 5105.38-M.

J. Advances to Foreign Residents or Countries. Advances made to foreign residents or countries by a DoD Component shall be reported as payments on the same lines in AR-1, as shown in Table 13-10, for which future contract payments shall be reported. Interest collections on advances shall be reported on Line Item 190000 of AR-1.

K. Other Foreign Aid Under the Foreign Assistance Act (FAA). Data on DoD outlays resulting from serving as the executive agent for other U.S. foreign assistance programs (as authorized by the FAA) shall be reported as IBOP other assistance grant aid by the appropriate DoD Component assigned the responsibility for those programs. Such assistance includes, but is not limited to the following programs: Overseas Humanitarian, Disaster, and Civic Aid Defense; Cooperative Threat Reduction Account, Defense; Drug Interdiction and Counter-Drug Activities, Defense (In-Country Support only); and Overseas Costs for Contingency Operations under section 607 of the FAA.

L. Records Retention. Records reflecting balance of payments transactions shall be maintained at each DFAS Site consolidation point for 12 months following the end of the period being reported.

M. Foreign Currencies

1. Data on foreign currencies shall be reported in dollar equivalents.

2. The Defense Security Cooperation Agency (DSCA) is responsible for reporting expenditures and collections for all [foreign transaction \(FT\)](#) accounts under its control, including those for which the DSCA has financial management responsibility in connection with FMS, [Public Law 83-480](#) currencies, [as well as](#) those provided under joint weapons production and exchange agreements.

3. The [respective](#) reporting system [utilized by each DoD Component](#) shall be used to provide data on accommodation sales to individuals by military disbursing officers.

4. Banking facilities on U.S. Government installations abroad shall report on accommodation sales of foreign currencies made to U.S. personnel.

N. Submission of Reports

1. [Reports of performance and transactions entering the IBOP](#) shall be prepared [by the DoD Components](#) as outlined in the detailed instructions [provided](#) in Tables 13-1 through 13-4. Sample formats are shown in Tables 13-10 through 13-12.

2. Accounting Reports (ARs) shall be submitted to the Department of Commerce [through DFAS](#) as follows:

- a. Department of the Army (DA) - ARs 1 and 2.
- b. Department of the Navy (including U.S. Marine Corps) - ARs 1 and 2.
- c. Department of the Air Force - ARs 1 and 2.
- d. Military Postal Service Agency (MPS) - AR-3.
- e. All other Defense Agencies, such as [the DSCA](#) and [Defense Intelligence Agency \(DIA\)](#) - AR-1.

3. The DSCA shall report all FMS delivery data.

4. Cross-disbursing data shall be submitted by the DoD Component as follows:

a. IBOP transactions [between the Air Force and the Army](#) shall be forwarded [no later than 32 calendar days following the end of the quarter](#) to their [corresponding](#) offices. Each Service [will](#) send its IBOP files to the other Services using the current automated technology.

* b. Vouchers and control listings of IBOP transactions of the Navy for the Army and the Air Force, [the Army for the Air Force and the Navy, and the Air](#)

Force for the Navy and the Army shall be forwarded to the designated accounting and finance offices quarterly.

c. Electronic transmission of Army, Navy, Air Force, and Marine Corps IBOP transactions for the Defense Agencies and OSD shall be forwarded no later than 45 calendar days following the end of the quarter to the Department of Commerce.

d. Salary payments to U.S. personnel shall be reported as the net amount paid to individuals and shall exclude all deductions, such as amounts withheld for taxes, contributions, allotments, or savings bonds.

5. The headings on each report shall be completed as indicated in Tables 13-10 through 13-12. Dollar amounts will be rounded to the nearest \$1,000. Amounts from \$1 to \$499 shall be rounded downward and \$500 to \$999 rounded upward.

* 6. The Treasury Department publication, 1 Treasury Financial Manual, Part 2, contains requirements for reporting foreign grants, loans, credits, and contingent liabilities (see TFM Part 2, Chapter 4500).

130109. Criteria for Determining and Identifying IBOP Transactions

A. Introduction. In establishing a basis for reporting IBOP transactions, assume that purchases of materiel and services are equal to related disbursements, since payments by DoD Components normally are made within the month following receipt of the materiel and services. Similarly, DoD outlays from appropriations supporting various U.S. foreign assistance programs are reported to signify the delivery of that assistance to foreign entities. It is necessary, however, to report FMS program sales on a delivery basis. Collections are stated separately to reflect the changes in financial status. Accounting reports prescribed by this chapter reflect these reporting concepts. A glossary of automated data processing (ADP) terms and symbols used in this chapter may be found in Table 13-6.

B. Transactions Entering the IBOP. The following transactions enter the DoD IBOP for reporting purposes.

1. Payments

a. Disbursing Officers (DOs). All payments, including advance and progress payments by DOs (whether located abroad or in the U.S., its territories and possessions, and Puerto Rico) from their accounts and all payments from the accounts of nonappropriated funds and the MPS to:

(1) Foreign residents, including all amounts deposited in foreign or U.S. banks to their credit; e.g., a deposit to the account of a foreign entity maintained in a U.S. bank. Foreign residents include foreign governments, corporations, contractors, and individuals.

(2) U.S. personnel, who are stationed, or employed, or who live abroad, or on ships homeported abroad, for pay disbursed or mailed abroad when on temporary duty abroad and per diem for temporary duty abroad.

(3) International organizations, including all amounts deposited (to its credit) in foreign or U.S. banks.

(4) U.S. corporations for materials, supplies (excluding petroleum products), and equipment, title to which is acquired by the U.S. Government abroad as evidenced by an accomplished materiel inspection and receiving report.

(5) U.S. contractors for construction or services performed abroad, except for travel and transportation as described in subparagraph 130109.D.2.g.

(6) U.S. and foreign corporations for petroleum products that will be identified to the country shown as the product source as described in subparagraph 130109.D.2.h.(2).

b. Foreign Currency Payments. Counterpart foreign currency payments by a foreign government that are held by the foreign government for U.S. uses under special arrangements (e.g., Euros disbursed by the Spanish Government for constructing and maintaining U.S. facilities).

c. Returns to the United States. Contracts or other procurement documents for procurement of supplies and services for use outside the U.S. and contracts for construction, maintenance, and repair of real property facilities may require that U.S. end products be furnished or that certain specified services be performed in the U.S. Additionally, U.S. contractors performing construction and service contracts overseas may acquire, on their own initiative, certain U.S. end products, services, or transportation on U.S. flag carriers in fulfillment of construction or service contracts. The amount of such procurements of U.S. end products, services, and transportation on U.S. flag carriers shall be identified and reported in Accounting Report 1, as shown in Table 13-10. The following rules apply only to contractors who are U.S. residents:

(1) The amounts remitted by a supplier to the U.S. for procurement of U.S. end products and the amounts paid by the supplier to a U.S. transportation company for transportation of goods on U.S. flag carriers shall be identified and reported as reductions to procurement payments.

(2) The following amounts are to be identified and reported as reductions to contractual service payments.

(a) The amount of U.S. end products procured from the U.S. by the contractor for incorporation in the project, (whether required by the terms of the contract or voluntarily procured from the U.S. without contractual requirements.)

(b) The amount remitted to or retained in the U.S. by the contractor for services performed in the U.S. and for profit, overhead, amortization costs, employee tax withholdings, and other indirect expenses, including that portion of the salaries of contractor personnel that is remitted to or retained in the U.S.

(c) The amount paid to transportation companies in the U.S. by the contractor for transportation provided on U.S. flag carriers.

* (3) Reporting requirements and procedures for contracts exceeding the simplified acquisition threshold are set forth in [DFARS](#) 225.1103(1) and the clause at 252.225-7005.

(4) Exclusions

(a) The amounts reported as returns under subparagraph 130109.B.1.c, shall exclude payments by the contractor to a DoD Component for supplies or services such as utilities and telephone services.

(b) Foreign residents who use U.S. end products or services to fulfill DoD contracts will not report returns to the U.S.

2. Collections

a. Collections by DOs. All collections by DOs that are credited to their accounts or to Treasury accounts (for which the Department has billing and collection responsibility) and all receipts in nonappropriated funds and the MPS from the following:

(1) Foreign residents.

(2) U.S. personnel who are stationed, employed, residing, or traveling abroad, or on ships homeported abroad (for reporting purposes, however, these collections are treated as a reduction to pay of personnel).

(3) International Organizations.

(4) U.S. contractors in connection with their performance of contracts with the U.S. Government or private firms abroad.

(5) Foreign governments or other foreign entities for goods and services sold for delivery or use under the FMS program, other sales programs, and the DoD Reutilization and Marketing Program.

b. Foreign Currency Collections. Collections of foreign currency contributed by foreign governments for the support of U.S. Military Assistance Advisory Groups (MAAGs) and Missions.

* c. Foreign Military Financing. FMF receipts are not deposited into the U.S. Treasury. FMF receipts are recorded in the successor account 11*1082 ([Foreign Military Financing Program, Funds Appropriated to the President](#)), via a Treasury SF-133, allocated by the Department of State in the year received, and finally apportioned in the same year on an [Office of Management and Budget \(OMB\) Apportionment And Reapportionment](#) Schedule (SF 132).

3. Deliveries

a. Materials, Supplies, Equipment, and Services. All deliveries of materials, supplies, equipment, and services to foreign countries and international organizations including:

(1) FMS deliveries outlined in the “Arms Export Control Act of 1976,” as amended.

(2) Sales by property disposal officers as represented by collections.

(3) Loans and leases of aircraft, vessels, and other equipment to foreign entities.

(4) Transfers of real property and deliveries of materiel and services under logistical support agreements and otherwise.

(5) Deliveries of goods and services for foreign assistance reimbursed by the Agency for International Development (AID), Department of State, or from Funds Appropriated to the President.

b. Delivery Data. This chapter requires that delivery data pertaining to Military Assistance Grant Aid be included.

4. Special Transactions

a. Transfers. Transfers from Deposit Account 6500 (Advances Without Orders from Non-Federal Sources) and [Clearing Account 3875](#) (Budget Clearing Account (suspense)) to other accounts shall be included when recorded as a collection in deposit fund accounts or in applicable receipt (including miscellaneous receipt), appropriation, or other fund accounts. For example, a bid deposit of a successful purchaser of surplus, excess, foreign excess, scrap, or salvage will be recorded in IBOP at the time transferred to account 3845 (Proceeds of Sales, Personal Property). Returns of deposits to depositors will not be treated as

IBOP transactions. Amounts initially recorded in these suspense accounts shall be excluded from IBOP reporting requirements in this Regulation.

b. Settlements. Offsetting Settlements between DoD accounts that are made in place of payments to, and collections from, a foreign government shall be treated as IBOP transactions as if the transaction had been carried out with the foreign government.

c. Outlays. DoD outlays in support of Other Assistance Grant Aid are reported.

C. Transactions Not Entering the IBOP. The following transactions do not enter the DoD reporting of IBOP:

1. Payments and Receipts. Payments to and receipts from any DoD or other U.S. Government agency or activity, including any DoD nonappropriated fund or postal service activities, except special transactions noted in subparagraph 130109.B.4.

2. Transfers Between the DoD or other U.S. Government Accounts. All transfers between the Department or other U.S. Government accounts, except those from Deposit Account 6500 and Clearing Account 3875, as noted in subparagraph 130109.B.4.a.

3. Goods Produced in the United States. Payments to foreign residents for goods produced in the U.S. if title is transferred within the U.S. If the goods were originally delivered to the foreign resident under the FMS program, include payments to the foreign resident when title is transferred to the U.S.

4. Goods Imported into the United States. Payments to foreign residents for goods produced abroad and imported into the U.S. when title is transferred to the U.S. Government after the goods are imported. Goods are considered to be imported when they clear U.S. Customs Service.

D. Identification of Transactions to Country or International Organizations

1. General. Transactions, except those relating to international organizations designated in Table 13-7, generally will be identified to the country of residence of the payee or remitter, rather than the location of the disbursing officer. Transactions with international organizations not listed in Table 13-7 will be identified to the country to which payment is sent or from which payment is received. In cases where country of residence cannot be determined, identify transactions as follows:

a. Cash. Payments or collections by cash will be coded to the country in which disbursed or collected.

b. Check. Payments or collections by check will be coded to the country to which check is sent or from which check is received.

* c. Electronic. Payments or collections by electronic transfer will be coded to the country to which transfer is sent or from which transfer is received.

2. Payments. Generally, payments will be identified to the designated international organization or to the country of residence of the payee. More specifically, payments will be identified as follows:

a. Government-to-Government Payments. These payments will be identified to the country of the foreign government involved.

* b. Foreign Corporations. Payments to foreign corporations and individuals will be identified to the country of residence. A [current](#) list of country codes [is available on the NGA website](#). (“Geopolitical Codes (Formerly FIPS PUB 10-4)”)

c. U.S. Personnel Payments

(1) U.S. Personnel Ashore. Net pay will be [coded](#) to the foreign country to which payment is made or the check is addressed.

(2) U.S. Personnel Afloat (Homeported Abroad). Net pay will be [coded](#) to the foreign country to which payment is made or the check is addressed.

(3) U.S. Personnel Afloat (U.S. Homeported). Net pay [is coded](#) as U.S. payments. A statistical determination will be made, by country, of the expenditures ashore by these individuals.

(4) Allotments of Pay. Allotments to individual persons will be identified to the country to which addressed. All other allotments will be identified to the country of residence of the allottee.

(5) Contributions. U.S. Government and service member contributions (Federal Insurance Contributions Act (FICA), retirement and health benefits) will be identified to the U.S.

d. Retired and Survivors Pay. The amount of the payment will be identified to the foreign country to which the check is mailed or payment is electronically transferred.

e. Foreign Nationals

(1) Direct Hire of Foreign Nationals. Net pay shall be identified to the foreign country [which employs](#) the individual. [In](#) addition, the payment of all U.S. Government contributions and the payments of all amounts withheld from the employee's pay shall be identified, at the time of payment, to the country to which addressed.

(2) Indirect Hire of Foreign Nationals. Payments under contracts for indirect hire of foreign nationals, including retirement accruals or separation allowances when paid, shall be identified to the country to which addressed.

(3) Foreign Nationals Aboard Ships. Net pay shall be identified to the country in which the individual maintains his or her “home of record.” In addition, the payment of all U.S. Government contributions and payments of all amounts withheld from the employee's pay shall be identified, at the time of payment, to the country to which addressed.

f. Construction and Services Performed Abroad Other Than Travel and Transportation (Discussed in subparagraph 130109.D.2.g). Payments for construction or services performed abroad shall be identified to the country in which construction or service is performed, regardless of where the check is mailed.

g. Travel and Transportation

(1) Transportation. Payments for transportation of persons or things (trip requests, bills of lading, warrants, or cash) paid to a transportation company shall be identified to the country of residence of the transportation company.

(2) Travel Allowances. Payments for per diem allowances, relocation allowances, and other incidental travel expenses, including transportation expenses or mileage allowances paid to individuals, shall be identified consistent with the following guidance.

(a) For permanent change of station, to the country in which the greater part of the allowances was earned or expenses incurred. Relocation allowances shall be considered to have been earned in the country to which the individual's family moves.

(b) For temporary duty (TDY), to the country in which the TDY was performed, except TDY performed aboard ship that shall be coded to the U.S. Where TDY is performed in several countries and it is not feasible to identify the per diem to each country, the payment will be coded to the country in which the greater part of the allowances was earned.

h. Materials, Supplies, and Equipment

(1) Payments to a U.S. corporation for materials, supplies (excluding petroleum products), and equipment acquired by a DoD Component abroad shall be coded to the country where it is delivered or accepted by the DoD Component. Payments to foreign contractors (excluding petroleum products) shall be coded to the country of residence of the payee.

(2) Payments to a U.S. or foreign corporation for petroleum products shall be identified consistent with the following guidance:

(a) To the country shown as the product source in the “product source” clause of the contract under which the payment is made. If a region (e.g., the Caribbean or Persian Gulf) is shown rather than a country, the payment shall be **coded** to the country shown in section 9 of the DD Form 250-1 (“Tanker/Barge-Material Inspection and Receiving Report”). If the product source cannot be established, it will be **coded** to the country where it is acquired by the DoD Component.

(b) When the product source **for petroleum** is the U.S. and the petroleum has been transported by the Military Sealift Command (MSC) or transported by commercial vessels directly to a DoD Component abroad, the payment shall be coded to the U.S. If the petroleum is not consigned directly to a DoD Component, the payment shall be coded to the country where it is delivered and the amount of the petroleum product and the transportation furnished by U.S. flag carriers will be indicated as a return to the U.S.

(c) Petroleum services, other than ocean transportation, shall be **coded** to the country in which the service is performed.

i. NATO Infrastructure. In processing NATO Infrastructure and International Military Headquarters Payments for NATO infrastructure, refer to DoD Directive 2010.5 (The North Atlantic Treaty Organization Security Investment Program). Such payments shall be **coded** to the country or to the appropriate NATO command that is the recipient of the payment. Payments to international military headquarters, including those located in the U.S., shall be coded with the appropriate code.

3. Deliveries and Collections

a. Materiel or Services. Deliveries of materiel or services shall be **coded** to the country or international organization to which the collection for that delivery shall be identified. Collections shall be **coded** to the countries making payments. Collections from international organizations shall be **coded** to the international organization making payment.

b. Recipient Country. For transactions involving Military Assistance Grant Aid and reimbursement from AID, Department of State, or Funds Appropriated to the President, deliveries shall be **coded** to the recipient country or international organization.

4. Special Transactions

a. Balance of Payment Transactions. Transactions for Guam, Puerto Rico, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands shall not be included in any summary totals of balance of payments transactions since transactions involving these areas do not enter the U.S. balance of payments **except when compiling special reports. In special reports, country codes must be applied to these areas.**

b. Guantanamo Bay. Transactions at Guantanamo Bay, other than pay of foreign nationals, shall be treated as U.S. transactions not entering the IBOP.

However, the pay of foreign nationals employed at Guantanamo Bay shall be treated as IBOP transactions and coded to their country of residence.

130110. Entries for DoD Transactions Entering the IBOP – AR-1

A. Purpose. This format prescribes line items, columnar data, and line ID codes to be used for reporting IBOP transactions in AR-1. This submission provides for summarizing DoD IBOP transactions under appropriation and category groupings.

B. General

1. Separate AR-1. A separate AR-1 shall be prepared for each foreign country and international organization listed in Tables 13-7 and 13-8, and for each foreign area grouping shown in Table 13-9. In addition, a separate AR-1 (using the format and criteria established by this Regulation) shall be submitted for Guam, Puerto Rico, the Commonwealth of the Northern Marianas, and the U.S. Virgin Islands. However, these transactions and those for other U.S. possessions shall not be included in the subtotals for foreign area groupings or for worldwide totals.

2. DoD Component. Each DoD Component shall submit AR-1 electronically. Data on the electronic transfer submissions must carry the line item numbers for AR-1 precisely as shown in Table 13-13. A sample format of AR-1 is shown in Table 13-10.

3. Assemble Reports. When the reports to be utilized as supporting documentation shall be assembled, pages for countries without transaction data shall not be submitted.

4. Report Data. Data shall be reported for each line item entry in Table 13-13. To facilitate summarizing data, each line entry must be identified by the same line ID Code shown in Table 13-13. Line items for which no amount is reported for the current quarter or cumulative columns shall not be shown on the report.

* 5. Reporting Responsibilities. Data reported for all lines for transactions involving the FMF, FMS Program, IMET, Drawdowns, EDAs, and Military-to-Military Contact Programs are established under DoD 5105.38-M.

6. Dollar Collections. Report as dollar collections all collections of foreign currency not obtained by purchase with U.S. dollars, which may be used for authorized expenditure purposes rather than being deposited to Treasury FT accounts.

7. Trust Fund Expenditures. Refunds to foreign governments for FMS sales are treated as trust fund expenditures. In the DoD balance of payment presentations, such refunds will be netted against receipts rather than treated as expenditures on AR-1.

C. Line Entries - Descriptions and Codes. Line item identification (ID) codes, line item captions, and descriptions for AR-1 are shown in Table 13-13.

130111. Entries for DoD Transactions Entering the IBOP – AR-2

A. Purpose. This format prescribes line items, columnar data, and line ID codes to be used for reporting IBOP transactions in AR-2, i.e., financial data relating to DoD nonappropriated fund activities abroad. These data are used to develop amounts available for spending abroad by U.S. personnel.

B. General

1. Nonappropriated Fund Activities. Each reporting activity shall include all nonappropriated fund activities under its command jurisdiction. When one activity serves more than one command in a given area, local arrangements shall be made to have the data submitted through only one command, thus avoiding duplications (e.g., the Army and Air Force Exchange Service). Nonappropriated fund activities aboard ship shall include only receipt and payment transactions abroad, which are included with activities ashore and enter the IBOP.

2. Submit Separate Reports. The reporting activities shall submit separate reports for the following:

- a. Exchange Service Operations
- b. Other Nonappropriated Fund Activities

3. Payments and Receipts. These reports shall include only payments and receipts affecting nonappropriated funds. Payments and receipts from appropriated funds used in operating a nonappropriated fund activity are excluded.

4. Reported Quarter. Amounts shown in the report shall cover the reported quarter, as well as a cumulative total for the current fiscal year.

5. Schedules. Separate schedules shall be submitted for the Navy and Marine Corps.

C. Line Entries - Descriptions and Codes. Line ID codes, line item captions, and descriptions for AR-2 are shown in Table 13-14.

130112. Entries for DoD Transactions Entering the International Balance of Payments - AR-3

A. Purpose. This format prescribes line items, columnar data, and line ID codes to be used for reporting IBOP transactions in AR-3, i.e., financial data relating to military postal services to individuals. These data are used to develop the amounts available for spending abroad by U.S. personnel.

B. General

1. MPS. One report shall be submitted to cover all MPS operations, excluding Fleet Post Office operations aboard ship.

2. Payments and Receipts. Exclude from the report payments and receipts of appropriated funds used for operating expenses of MPS facilities.

3. Agencies and Activities. Exclude sales to or receipts from federal agencies and activities and DoD-sponsored nonappropriated fund activities.

4. Reported Quarter. The amounts shown in the report shall cover the reported quarter only and will be noncumulative.

C. Line Entries - Descriptions and Codes. Line ID codes, line item captions, and descriptions for AR-3 are shown in Table 13-15.

1302 INTERMEDIATE/INSTALLATION LEVEL REPORTING REQUIREMENTS

Reporting requirements, at the intermediate/installation level, are developed and monitored by the responsible DFAS Site. Reporting formats for the intermediate/installation levels shall be consistently applied in accordance with the procedures outlined in paragraphs 130102 through 130112 of this chapter.

Table 13-1: Edit and Validation Rules for Submitting IBOP Data to the Department of Commerce

The following includes the record edit and validation rules that apply to all transaction data records submitted on IBOP transactions.

<u>Data Record Position(s)</u>	<u>Description of Item</u>	<u>Rules</u>
1	Coded Report No.	SHALL be 1, 2, or 3
2	Coded Report No.	SHALL be blank except for Accounting Report 2
3-4	Fiscal Year	SHALL be numeric
5	Quarter of FY	SHALL be 1, 2, 3 or 4
6	Dept. Code	SHALL be one of the alpha characters shown in Table 13-5
7-8	Country or Organizational code	Position 7 must be alpha. Position 8 must be A/N. Cannot be blank (Tables 13-7 and 13-8)
9-14	Line I.D. No.	MAY be alpha, numeric, or A/N
15-21	\$ Amount this Qtr.	SHALL be numeric
22-29	Blank	SHALL be blank
30	Reserved	SHALL be blank
31	Data Originator	SHALL be blank except for Accounting Report 1
32-80	Blank	SHALL be blank

* Table 13-1

Table 13-2: Record Format Accounting Report 1

<u>Data Record Position</u>	<u>Alphabetic or Numeric</u>	<u>Description of Item</u>	<u>Special Instructions</u>
1	N	Coded Report No.	SHALL be 1
2	Blank	Blank	Blank
3-4	N	Fiscal Year	Last 2 digits
5	N	Quarter of FY	SHALL be 1, 2, 3 or 4
6	A	Dept. Code	Table 13-5
7-8	A	Country or Organizational code	Tables 13-7 and 13-8
9-14	A/N	Line I.D. No.	Table 13-13
15-21	N	\$ Amount this Qtr.	Round to the nearest thousand; place a zero in vacant high order position(s).
22-29	Blank	Blank	Blank
30		Reserved	
31	A	Data Originator	Table 13-5
32-80	Blank	Blank	Blank

Table 13-2

Table 13-3: Record Format Accounting Report 2

Data Record Position	Alphabetic or Numeric	Description of Item	Special Instructions
1	N	Coded Report No.	SHALL be 2
2	N	Coded Report No.	SHALL be 1 or 2(*)
3-4	N	Fiscal Year	Last 2 digits
5	N	Quarter of FY	SHALL be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-5
7-8	A	Country or Organizational Code	Tables 13-7 and 13-8
9-14	A/N	Line I.D. No.	Table 13-14
15-21	N	\$ Amount this Qtr.	Round to the nearest thousand; place a zero in vacant high order position(s).
22-80	Blank	Blank	Blank

(*) Shall be 21 on Submission for Exchange Service Operations.
Shall be 22 on Submission for Other Nonappropriated Fund Activities.

Table 13-3

Table 13-4: Record Format Accounting Report 3

Data Record Position	Alphabetic or Numeric	Description of Item	Special Instructions
1	N	Coded Report No.	SHALL be 3
2	Blank	Blank	Blank
3-4	N	Fiscal Year	Last 2 digits
5	N	Quarter of FY	SHALL be 1, 2, 3, or 4
6	A	Dept. Code	Table 13-5
7-8	A	Country or Organizational Code	Tables 13-7 and 13-8
9-14	A/N	Line I.D. No.	Table 13-15
15-21	N	\$ Amount this Qtr.	Round to the nearest thousand; place a zero in vacant high order position(s).
22-80	Blank	Blank	Blank

Table 13-4

Table 13-5: DoD Component Identification Codes

The following is a list of standard codes identifying DoD Components.

<u>DoD Component</u>	<u>Code</u>
Department of the Army	A
Department of the Navy	N
Department of the Air Force	F
U.S. Marine Corps (code is M, but include with Navy)	N
Defense Contract Audit Agency (DCAA)	R
Defense Contract Management Agency (DCMA)	BL
Defense Information Systems Agency (DISA)	K
Defense Intelligence Agency (DIA)	L
Defense Logistics Agency (DLA)	S
Defense Security Cooperation Agency (DSCA)	D
National Security Agency (NSA)	U
Washington Headquarters Services, Budget and Finance Division	E

Table 13-5

Table 13-6: Glossary of ADP Terms and Symbols Used in This Chapter

<u>Term or Symbol</u>	<u>Definition</u>
Accounting Reports	The series of reports specifically referenced in this chapter.
0	The representation of numeric zero unless it is otherwise specified.
0 Fill Unused High Order Positions	Fill assigned field spaces to the left of the most significant numeric digit in ALL \$ Amount fields. May also be expressed as “Right Justify.”
BLANK	Shown on record formats to indicate a blank space in a record
FY	Fiscal Year
PY	Prior Fiscal Year
CY	Current Fiscal Year. If the current fiscal year is FY 2010, the PY is FY 2009, and the CY is FY 2010
Line I.D. No.	As used in this Regulation, a special six (6) digit alpha/numeric code used ONLY for IBOP reporting to identify an exact line item in a report.
QTR	Numeric quarter of the Fiscal Year. Shall be 1, 2, 3, or 4
Table 13-6	

Table 13-7: International Organization List

This list of International Organizations and Codes is to be used for DoD IBOP reporting.	
Future additions and/or changes to this list will be transmitted to the DoD Components by the Department of Commerce . Such changes will become effective in each DoD Component's IBOP reporting system within 90 days after receipt.	
<u>Organization</u>	<u>Code</u>
Organization of American States (OAS)	A1
Supreme Headquarters, Allied Powers, Europe (SHAPE)	A2
African Union (AU)	A3
United Nations Office for the Coordination of Humanitarian Assistance to Afghanistan (UNOCHA)	A4
United Nations Department of Humanitarian Affairs (UNDHA)	A5
NATO Air Command and Control Management (NACMA)	A6
Economic Community of West African States (ECOWAS)	A7
Organization of Security and Cooperation in Europe (OSCE)	A8
Southern African Development Community (SADC)	A9
Emergency Supplemental Appropriations (Public Law 109-234) (Jun 15, 2006) Afghanistan Security Forces Fund	B2
Emergency Supplemental Appropriations (Public Law 109-234) (Jun 15, 2006) Iraq Security Forces Fund	B3
National Defense Authorization Act for Fiscal Year 2006 (PL 109-163), Section 1206)	B4
National Defense Authorization Act for Fiscal Year 2007 (PL 109-364), Section 1206)	B5
Fiscal Year 2007 DoD Appropriations Act (Public Law 109-289) (Sep 29, 2006) as supplemented by PL 110-28 (May 25, 2007) Afghanistan Security Forces Fund	B6
Fiscal Year 2007 DoD Appropriations Act (Public Law 109-289) (Sep 29, 2006) as supplemented by PL 110-28 (May 25, 2007) Iraq Security Forces Fund	B7
National Defense Authorization Act for Fiscal Year 2007 (PL 109-364), Section 1206; and National Defense Authorization Act for Fiscal Year 2008 PL 110-181, Section 1206 for the Pakistan Frontier Corps	B8
National Defense Authorization Act for Fiscal Year 2009 (PL 110-417), Section 1206 for foreign military forces and Section 1201 for the Pakistan Frontier Corps	B9
FMS Agreements (FACTS Data, DSCA)	C2
Economic Community of Central African States (ECCAS)	C3
Special Defense Acquisition Fund (SDAF)	D2
Security Assistance Automated Resource Management Suite (SAARMS) database	E1
United Nations Transitional Authority in East Timor (UNTAET)	E2
* Table 13-7	

Table 13 -7. International Organization List (Continued)

This list of International Organizations and Codes is to be used for DoD IBOP reporting.

<u>Organization</u>	<u>Code</u>
Consolidated Appropriation Act, 2008 (Public Law 110-161) Afghanistan Security Forces Fund	E3
Consolidated Appropriations Act, 2008 (Public Law 110-161) Iraq Security Forces Fund	E4
Supplemental Appropriations Act, 2008 (Public Law 110-252) Afghanistan Security Forces Fund (FY2009 Bridge Funds)	E5
Supplemental Appropriations Act 2009 (Public Law 111-32) Afghanistan Security Forces Fund (FY2009 Supplemental Funds)	E6
Coalition Readiness Support Program (CRSP) cases	E7
F-16, Belgium	F1
F-16, Denmark	F2
F-16, Netherlands	F3
F-16, Norway	F4
Supplemental Appropriations Act, 2009 (Public Law 111-32) Pakistan Counterinsurgency Fund (FY2009 Supplemental Funds)	G2
Supplemental Appropriations Act, 2009 (Public Law 111-32) Iraq Security Forces Fund (FY2009 Supplemental Funds)	G3
Supplemental Appropriations Act, 2009 (Public Law 111-32) Pakistan Counterinsurgency Capability Fund (PCCF) (FY2009 Supplemental Funds), as transferred into Pakistan Counterinsurgency Funds (PCF)	G4
National Defense Authorization Act for FY 2010 (P.L. 111-84) and Department of Defense Appropriations Act, 2010 (P.L. 111-118), as supplemented by P.L. 111-212 Afghanistan Security Forces Fund (ASFF)	G5
Continuing Appropriations Resolution, 2010 (P.L. 111-68), Afghanistan Security Forces Fund (ASFF)	G6
National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84) and Department of Defense Appropriations Act, 2010 (Public Law 111-118), for section 1206 programs.	G7
Supplemental Appropriations Act, 2010 (Public Law 111-212) Iraq Security Forces Fund (FY 2010 Supplemental Funds)	G8
National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163), as amended, and Continuing Appropriations Act, 2011 (Public Law 111-242) for Section 1206 programs.	H2
NATO Maintenance and Supply Agency (NAMSA)-F104 + C-130	K2
NATO Eurofighter and Tornado Management Agency (NETMA)	K3
NATO Communications & Information Systems Agency (NACISA)	K4
Supreme Allied Commander, Atlantic (SACLANT)	K5
NATO NAMSA Nike Training Center (NNTC)	K6
NATO Airborne Early Warning and Control Operations & Support (O&S) Budget	K7

* Table 13-7

Table 13-7. International Organization List (Continued)

This list of International Organizations and Codes is to be used for DoD IBOP reporting.

<u>Organization</u>	<u>Code</u>
NATO Airlift Management Organization (NAMO)	K8
NATO European Fighter Aircraft Developmental, Production, & Logistics Management Agency (NEFMA)	M1
MAP Property Sales and Disposal (MAPSAD)	M2
MAP Owned Materiel (DSCA Records)	M3
NAMSA Weapons	M5
NATO HAWK Production & Logistics Office (NHPL0)	M6
NATO Southern Region Signal/Communications (NAMSA COMMO)	M7
NAMSA Patriot	M8
NAMSA General – Other	M9
NATO Airborne Early Warning Program Management Office (NAPMO)	N1
North Atlantic Treaty Organization (NATO)	N2
NATO Seasparrow (Sec 1004, P.L. 98-525)	N3
NAMSA General + Nike	N4
NATO Headquarters	N6
NAMSA HAWK	N7
Mutual Weapons Development Program (MWDP)	N8
NATO Missile Firing Installation (NAMFI)	N9
European	R2
Near East/South Asia	R3
East Asia/Pacific	R4
American Republic	R5
Africa	R6
FAA Sec 632 Transactions	S4
FAA Sec 607 Sales, Reimbursable (Delayed Payment)	S5
FAA Sec 607 Sales, Payment in Advance	S6
National Defense Authorization Act (NDAA), Section 1033 Transactions	S7
NDAA, Section 1004 Transactions	S8
Presidential Drawdowns (DSCA authorized use only)	S9
Central Treaty Organization (CENTO)	T3
South East Asia Treaty Organization (SEATO)	T4
International Civil Aviation Organization (ICAO HQ)	T7
International Civil Defense Organization (ICDO HQ)	T8
United Nations (UN)	T9
Airborne Warning and Control System	W1

* Table 13-7

Table 13-7. International Organization List (Continued)

This list of International Organizations and Codes is to be used for DoD IBOP reporting.

<u>Organization</u>	<u>Code</u>
NATO Medium Extended Air Defense System Management Agency (NAMEADSMA)	W2
Section 1107 of FY04 Supplemental (Train and Equip Authority) for the Afghanistan National Army	Y2
Section 1107 of FY04 Supplemental (Train and Equip Authority) for the New Iraqi Army	Y3
Uzbekistan - Emergency Wartime Supplemental Appropriations Act 2003 (Public Law 108-11)	Y4
Section 9006 of FY05 Defense Appropriations Act (Public Law 108-287) for Afghanistan	Y5
Section 9006 of FY05 Defense Appropriations Act (Public Law 108-287) for Iraq	Y6
Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106) for Iraq	Y7
Afghanistan Security Forces Fund - FY05 Emergency Supplemental Appropriations Act (Public Law 109-13)	Y8
Iraq Security Forces Fund - FY05 Emergency Supplemental Appropriations Act (Public Law 109-13)	Y9

* Table 13-7

Table 13-8: Countries and Codes to be Used to Prepare IBOP Accounting Reports

The [National Geospatial-Intelligence Agency](#) provides basic geographical-political entities (countries, dependencies, and areas of special sovereignty) and a coding structure that identifies each entity to be used to prepare IBOP reports. The countries and codes listed are standard government-wide. A current list of country codes is available on the [National Geospatial-Intelligence Agency website](#) (“Geopolitical Codes (Formerly FIBS PUB 10-4)”). Inquiries concerning countries not listed in the current guidance can be sent to NGA at geonames@nga.mil to request a new code be established.

* Table 13-8

Table 13-9. Geographical Areas, Countries, and International Organizations to be Used in Preparing IBOP Accounting Reports

This table lists the countries and geographical areas to be shown in the hard copy IBOP reports. Alternatively, each country having an IBOP transaction (not only those shown in this enclosure) may be listed alphabetically followed by the area totals (A through E) and the "Grand Total."

A. Western European Countries and International Organizations

1. Austria
2. Belgium/Luxembourg
3. Bosnia/Herzegovina
4. Croatia
5. Denmark (include Greenland)
6. France
7. Germany (Unified)
8. Greece (includes Crete)
9. Iceland
10. Italy (includes Sicily)
11. Netherlands
12. Norway
13. Portugal
14. Spain
15. Switzerland
16. Turkey
17. United Kingdom
18. Other Western European Countries and International Organizations

Total Western Europe

B. Japan

C. Canada

(continued on following page)

Table 13-9

Table 13-9 Geographical Areas, Countries, and International Organizations to be Used in Preparing IBOP Accounting Reports (Continued)

D. Other Countries

1. Australia
2. Bahrain
3. Bermuda
4. China, Republic of (Taiwan)
5. Korea, Republic of
6. Morocco
7. Netherlands Antilles
8. Pakistan
9. Republic of the Philippines
10. Saudi Arabia
11. Thailand
12. Trinidad and Tobago
13. Venezuela
14. Vietnam
15. Other American Republic
16. Other (all other countries not elsewhere listed)

Total Other Countries

E. Other International Organizations

1. South East Asia Treaty Organization Military HQ. (SEATO)
2. United Nations (UN)
3. Other

Total Other International Organizations

F. GRAND TOTAL (World Wide)

Table 13-9 (Cont'd)

Table 13-10 Sample Accounting Report 1

DoD INTERNATIONAL BALANCE OF PAYMENTS				
(REPORTING ACTIVITY) CODE_____		FOR QUARTER ENDING_____	(COUNTRY GROUP NAME)	CODE_____
LINE I.D. NUMBER	LINE ITEM DESCRIPTION (See instructions for each line item in Table 13-13)	CURRENT QUARTER AMOUNT	FISCAL YEAR TO DATE AMOUNT	
	<u>Pay U.S. Personnel</u>			
01A000	Military Personnel, Reserve Personnel, and National Guard Personnel (Including afloat personnel homeported abroad)	XXXXXXX	XXXXXXX	
01B000	Operation and Maintenance, <u>Civilian Personnel</u>	XXXXXXX	XXXXXXX	
01C000	Military Construction, <u>Civilian Personnel</u>	XXXXXXX	XXXXXXX	
01E000	Military Assistance <u>Appropriations and Funds, Civilian Personnel</u>	XXXXXXX	XXXXXXX	
01F000	Other Appropriations and Funds, <u>Civilian Personnel</u>	<u>XXXXXXX</u>	<u>XXXXXXX</u>	
	Total Net Pay, <u>U.S. Personnel</u>	XXXXXXX		XXXXXXX
	<u>Travel Payments to U.S. Personnel Stationed Abroad</u>			
01H030	<u>Travel Payments to Other U.S. Personnel Stationed Abroad.</u>	<u>XXXXXXX</u>	<u>XXXXXXX</u>	
	Total Travel Payments to U.S. Personnel Stationed Abroad	XXXXXXX		XXXXXXX
01I000	Travel Payments to U.S. Personnel Stationed in the U.S.	XXXXXXX		XXXXXXX
	<u>Expenditures by U.S. Personnel at Foreign Non-Duty Locations</u>			
01J010	Expenditures ashore by U.S. Personnel Afloat with Homeports in U.S.	XXXXXXX		XXXXXXX
01J030	Expenditures by U.S. Personnel on Rest and Recuperation (R&R) Leave	XXXXXXX		XXXXXXX
01L000	Claims, Defense Personnel	XXXXXXX		XXXXXXX
	<u>Nonappropriated Fund Transactions</u>			
01M010	Exchange Service Money Orders	XXXXXXX	XXXXXXX	
01M020	Other Nonappropriated Funds	<u>XXXXXXX</u>	<u>XXXXXXX</u>	
	Total Nonappropriated Fund Transactions	XXXXXXX		XXXXXXX
01N000	Military Postal Service Agency Transactions	XXXXXXX		XXXXXXX
	<u>Less Receipts from U.S. Personnel</u>			
01O010	Commissary Store Sales to Individuals	XXXXXXX	XXXXXXX	
01O020	Other Sales to Individuals	<u>XXXXXXX</u>	<u>XXXXXXX</u>	
	Total Receipts from U.S. Personnel	<u>XXXXXXX</u>		<u>XXXXXXX</u>
	Total Pay Available for Spending	XXXXXXX		XXXXXXX

Table 13-10

Table 13-11: Sample Accounting Report 2

DEPARTMENT OF DEFENSE INTERNATIONAL BALANCE OF PAYMENTS NONAPPROPRIATED FUND TRANSACTIONS (Thousands of Dollars)											
DEPARTMENT/AGENCY: _____										EXCHANGE/OTHER _____	
QUARTER ENDING: _____										Page ____ of ____ Pages	
Country	Sales	Other Revenues	Total Receipts	Net Pay U.S. Personnel	Gross Pay Foreign Nationals	Foreign Payments For Procurement of Merchandise for Resale	Other Foreign Payments	Total Foreign Payments	Net Excess of Payments or Receipts	Memo: Payments in Excess & Near Excess Foreign Currency	Memo: Net Accommodation Sales (Foreign Currency)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
TOTAL											

Table 13-11

Table 13-12: Sample Accounting Report 3

DEPARTMENT OF DEFENSE INTERNATIONAL BALANCE OF PAYMENTS MILITARY POSTAL SERVICE AGENCY TRANSACTIONS							
DEPARTMENT _____						Page ____ of ____ Pages	
RECEIPTS					PAYMENTS		
Country	Meter Sales	Stamp Sales	Money Order Sales	Postage Validation Imprinter Sales	Total	Money Orders Cashed	Net Excess of Payments of Receipts
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TOTAL							

* Table 13-12

Table 13-13: Line Item Captions and Descriptions Accounting Report 1

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	A. Payments
	1. Pay, U.S. Personnel - This includes payments to U.S. personnel for “net pay” as defined in paragraph 130104.Q., Permanent Change of Station (PCS) and Temporary Duty (TDY) travel expenses, dislocation allowances for which the individual is reimbursed, and claims paid to U.S. personnel. Payments will be entered on the line indicating the appropriation cited in the voucher. Other lines under this heading will be used to record adjustments to payments to U.S. personnel to arrive at the amount of pay available for spending on the local economy.
01A000	a. Military Personnel, Reserve Personnel, and National Guard Personnel (Including afloat personnel homeported abroad)
01A020	b. Printing and Reproduction, Civilian Personnel
01B000	c. Operation and Maintenance, Civilian Personnel
01C000	d. Military Construction, Civilian Personnel
01D000	e. Family Housing Construction, Civilian Personnel
01E000	f. Military Assistance Appropriations and Funds, Civilian Personnel
01F000	g. Other Appropriations and Funds, Civilian Personnel
	h. Total Net Pay, U.S. Personnel - Enter the sum of lines A.1.a. through A.1.g.
	i. Travel Payments to U.S. Personnel Stationed Abroad (See subparagraph 130109.D.2.g)
01H010	(1) Travel Payments to Military Personnel, Reserve Personnel, and National Guard Personnel Stationed Abroad
01H020	(2) Total Subsistence and Per Diem
01H030	(3) Travel Payments to Other U.S. Personnel Stationed Abroad.
	(4) Total Travel Payments to U.S. Personnel Stationed Abroad - Enter the sum of lines A.1.i.(1) through A.1.i.(3).
01I000	j. Travel Payments to U.S. Personnel Stationed in the U.S.
	k. Expenditures by U.S. Personnel at Foreign Non-Duty Locations
01J010	(1) Expenditures Ashore by U.S. Personnel Afloat with Homeports in U.S. Report the amounts as determined by current personnel surveys and other statistical methods. The basis used by the reporting DoD Component for developing data for each country will be provided annually to Department of Commerce upon request.
01J020	(2) Reserved
* Table 13-13	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
01J030	(3) Expenditures by U.S. Personnel on Rest and Recuperation (R&R) Leave - Report the amounts spent by U.S. Personnel while on R&R at locations outside the country in which they are assigned. Positive entries (+) will be used for countries where the individual is on R&R, and negative entries (-) will be used to reflect the adjustment to the "Pay Available for Spending" in the country in which the individual is stationed.
01K000	l. Deposits (Savings)
01L000	m. Claims, Defense Personnel - (Excluding death gratuities)
	n. Nonappropriated Fund Transactions
01M010	(1) Exchange Service Money Orders - Enter the total amount of money order sales and fees.
01M020	(2) Other Nonappropriated Funds - Enter the net increase (-) or decrease (+) in column (10) of AR-2. (Table 13-11)
	(3) Total Nonappropriated Fund Transactions - Enter the sum of lines A.1.n.(1) and A.1.n.(2).
01N000	o. Military Postal Service Agency Transactions - Enter the net increase (-) or decrease (+) in column 8 of AR-3 (Table 13-12) (reported only by Defense Postal Service).
	p. Less Receipts from U.S. Personnel (-)
01O010	(1) Commissary Store Sales to Individuals - (Excluding collections from nonappropriated funds)
01O020	(2) Other Sales to Individuals - This includes laundry, dry-cleaning, and family housing management funds, sales of meals to individuals and dependents, clothing store sales, and sales of gasoline coupons.
	(3) Total Receipts from U.S. Personnel - Enter the sum of lines A.1.p.(1) and A.1.p.(2).
	q. Civilian Pay & Benefits
01Q000	(1) Full-Time Civilian Pay & Benefits
01Q010	(2) Other Civilian Pay & Benefits
01Q020	(3) Insurance Claims, Indemnities, and Refunds
	(4) Total Civilian Pay & Benefits - Enter the sum of lines A.1.q.(1) through A.1.q (3).
	r. Total Pay Available for Spending - Enter the sum of line A.1.h., line A.1.i.(4), line A.1.j., lines A.1.k.(1) thru A.1.k.(3), line A.1.l., line A.1.m., line A.1.n.(3), line A.1.o., less line A.1.p.(3), plus line A.1.q.(4).
	2. Direct Hire Foreign Nationals - This includes the total gross pay of foreign nationals from appropriations and funds as defined in subparagraph 130104.J.
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
02A000	a. Operation and Maintenance, Direct Hire Foreign Nationals
02B000	b. Military Assistance Appropriations and Funds, Direct Hire Foreign Nationals
02C000	c. Military Construction Appropriations and Family Housing, Direct Hire Foreign Nationals
02D000	d. Other Appropriations and Funds, Direct Hire Foreign Nationals
	e. Total Direct Hire Foreign Nationals - Enter the sum of lines A.2.a. through A.2.d.
	3. Indirect Hire Foreign Nationals - This includes the total gross pay of indirect hire of foreign nationals from appropriations and funds as defined in subparagraph 130109.D.2.e.(2)
03A000	a. Operation and Maintenance, Indirect Hire Foreign Nationals
03B000	b. Military Assistance Appropriations and Funds, Indirect Hire Foreign Nationals .
03C000	c. Military Construction Appropriations and Family Housing, Indirect Hire Foreign Nationals .
03D000	d. Other Appropriations and Funds, Indirect Hire Foreign Nationals
	e. Total Indirect Hire Foreign Nationals - Enter the sum of lines A.3.a. through A.3.d.
	4. Materials, Supplies, and Equipment - This includes total payments for material identified to object classes 26 and 31 from appropriations and funds and the amount of returns to the U.S. This excludes military construction and major procurement.
	a. Subsistence
04A010	(1) Military Personnel
04A020	(2) Stock Funds
	(3) Subtotal - Enter the sum of lines A.4.a.(1) and A.4.a.(2).
	(4) Less Returns to U.S. (-)
04A04A	(a) U.S. End Products
04A04B	(b) U.S. Services
04A04C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.a.(4)(a) through A.4.a.(4)(c).
	(5) Total Subsistence - Enter the net of lines A.4.a.(3) and A.4.a.(4)(d).
	b. POL - (Petroleum including product, transportation, storage and handling)
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
04B010	(1) Operation and Maintenance, POL
04B020	(2) Stock Funds, POL
04B030	(3) Industrial Funds and Other, POL
	(4) Subtotal - Enter the sum of lines A.4.b.(1) through A.4.b.(3).
	(5) Less Returns to U.S. (-)
04B05A	(a) U.S. End Products
04B05B	(b) U.S. Services
04B05C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.b.(5)(a) through A.4.b.(5)(c).
	(6) Total POL – Enter the net of line A.4.b.(4) and A.4.b.(5)(d).
	c. Offshore Procurement
04C010	(1) Procurement – Aircraft
04C020	(2) Procurement – Missiles
04C030	(3) Procurement – Ships
04C040	(4) Procurement – Combat Vehicles
04C050	(5) Procurement – Tactical & Support Vehicles
04C060	(6) Procurement – Weapons
04C070	(7) Procurement – Ammunition
04C080	(8) Procurement – Communication Equipment
04C090	(9) Procurement – Other Support Equipment
04C100	(10) Procurement – Supplies
	(11) Subtotal – Enter the sum of lines A.4.c.(1) through A.4.c.(10)
	(12) Less Returns to U.S. (-)
04C12A	(a) U.S. End Products
04C12B	(b) U.S. Services
04C12C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.c.(12)(a) through A.4.c.(12)(c).
	(13) Total Offshore Procurement – Enter the net of lines A.4.c.(11) and A.4.c (12)(d).
	d. Other Materials, Supplies and Equipment
04D010	(1) Operation and Maintenance, Other Materials, Supplies and Equipment.
04D020	(2) Research, Development, Test, and Evaluation
04D030	(3) Military Assistance Appropriations and Funds, Procurement other than Offshore Procurement from line A.4.c.(13)
04D040	(4) Stock Funds, Other Materials, Supplies and Equipment
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
04D050	(5) Other Appropriation and Funds - (Excluding Military Construction Materiel and Major Procurement)
	(6) Subtotal – Enter the sum of lines A.4.d.(1) through A.4.d.(5)
	(7) Less Returns to U.S. (-)
04D07A	(a) U.S. End Products
04D07B	(b) U.S. Services
04D07C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.4.d.(7)(a) through A.4.d.(7)(c).
	(8) Total Other Materials, Supplies, and Equipment - Enter the net of lines A.4.d.(6) and A.4.d.(7).d.
	e. Total Materials, Supplies, and Equipment - Enter the sum of lines A.4.a.(5), A.4.b.(6), A.4.c.(13), and A.4.d.(8).
	5. Major Procurement - Report all procurement charged to Major Procurement Appropriations under the following categories, including transportation and services (A.5.a. through A.5.e.).
05A000	a. Aircraft and Related Equipment and Spares
05B000	b. Missiles and Related Equipment and Spares
05C000	c. Shipbuilding and Related Equipment and Spares
05D000	d. Ground Electronics and Related Equipment and Spares
05E000	e. Other - Major Procurement
	f. Subtotal – Enter the sum of lines A.5.a through A.5.e
	g. Less Returns to U.S. (-)
05G010	(1) U.S. End Products
05G020	(2) U.S. Services
05G030	(3) U.S. Transportation
	(4) Total Returns - Enter the sum of lines A.5.g.(1) through A.5.g.(3).
	h. Total Major Procurement - Enter the net of lines A.5.f. and A.5.g.(4).
	6. Construction - Report payments to foreign contractors and U.S. contractors for foreign construction projects charged to the appropriations listed and payments for construction materiel charged to the Military Construction and Family Housing Appropriations. Include all payments for services charged to Military Construction and Family Housing Construction Appropriations.
	a. Foreign Contractors
06A010	(1) Military Construction
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
06A020	(2) Family Housing, Defense Construction
06A030	(3) Military Assistance Appropriations and Funds, Construction,
	Foreign Contractors
06A040	(4) Counterpart Foreign Currency Payments
	(5) Subtotal – Enter the sum of lines A.6.a.(1) through A.6.a.(4)
	(6) Less Returns to the U.S. (-)
06A06A	(a) U.S. End Products
06A06B	(b) U.S. Services
06A06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.6.a.(6)(a) through
	A.6.a.(6)(c).
	(7) Total Construction Foreign Contractors - Enter the net of lines
	A.6.a.(5) and A.6.a.(6)(d).
	b. U.S. Contractors
06B010	(1) Military Construction
06B020	(2) Family Housing, Defense Construction
06B030	(3) Military Assistance Appropriations and Funds, Construction,
	U.S. Contractors
06B040	(4) Counterpart Foreign Currency Payments
	(5) Subtotal - Enter the sum of lines A.6.b.(1) through A.6.b.(4).
	(6) Less Returns to U.S.
06B06A	(a) U.S. End Products
06B06B	(b) U.S. Services
06B06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.6.b.(6)(a) through
	A.6.b.(6)(c).
	(7) Net Payments to U.S. Contractors for Construction - Enter the
	net of lines A.6.b.(5) and A.6.b.(6)(d).
	c. Construction Materiel - This includes the procurement of materials,
	supplies, and equipment acquired for foreign construction projects. Report
	government-furnished materiel provided to contractors, procured abroad with
	construction funds when the material is purchased.
06C010	(1) Military Construction
06C020	(2) Family Housing, Defense Construction Categories
	(3) Subtotal - Enter the sum of lines A.6.c.(1) and A.6.c.(2).
	(4) Less Returns to the U.S. (-)
06C04A	(a) U.S. End Products
06C04B	(b) U.S. Service
06C04C	(c) U.S. Transportation

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	(d) Total Returns - Enter the sum of lines A.6.c.(4)(a) through A.6.c.(4)(c).
	(5) Net Payments for Construction Material – Enter the net of lines A.6.c.(3) and A.6.c.(4)(d).
	d. NATO Infrastructure
06D000	(1) Foreign Military Sales – Land and Structures
06D010	(2) NATO Infrastructure
06D020	(3) NATO Air Defense Ground Environment (NADGE)
	(4) Total NATO Infrastructure - Enter the sum of lines A.6.d.(1) through A.6.d.(3).
	e. Total Construction - Enter the sum of lines A.6.a.(7), A.6.b.(7), A.6.c.(5), and A.6.d.(4).
	7. Transportation - Report payments to foreign carriers for transportation of individuals or transportation of household goods and materiel, including those furnished on U.S. Government bills of lading, travel requests, and similar documents charged to the following appropriations and funds, excluding amounts reported under POL and subsistence stock funds.
07A000	a. Military Personnel, Reserve Personnel, and National Guard Personnel
07B000.	b. Operation and Maintenance, Transportation
07C000	c. Military Assistance Appropriations and Funds, Transportation
07D000	d. Other Appropriations and Funds, Transportation
	e. Subtotal – Enter the sum of lines A.7.a through A.7.d
	f. Less Returns to the U.S. (-)
07F010	(1) U.S. End Products
07F020	(2) U.S. Services
07F030	(3) U.S. Transportation
	(4) Total Returns – Enter the sum of lines A.7.f.(1) through A.7.f.(3)
	g. Total Transportation - Enter the net of lines A.7.e. and A.7.f.(4).
	8. Services - Report payments for services performed overseas, including real property maintenance, repair, and minor construction, (Object classes 23, 24, and 25, excluding indirect hire, foreign nationals) from the following appropriations and funds.
	a. Foreign Contractors
	(1) Operation and Maintenance
08A01A	(a) Rents, Communications and Utilities

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
08A01B	(b) Contract Maintenance of Equipment and Related Payments
08A01C	(c) Real Property Maintenance, Repair, and Minor Construction
08A01D	(d) Other Operation and Maintenance
	(e) Total Services, Foreign Contractors, O & M - Enter the sum of lines A.8.a.(1)(a) through A.8.a.(1)(d).
08A020	(2) Research, Development, Test and Evaluation
08A030	(3) Military Assistance Appropriations and Funds, Services, Foreign Contractors
08A040	(4) Other Appropriations and Funds, Services, Foreign Contractors
	(5) Subtotal - Enter the sum of lines A.8.a.(1)(e) and A.8.a.(2) through A.8.a.(4)
	(6) Less Returns to the U.S. (-)
08A06A	(a) U.S. End Products
08A06B	(b) U.S. Services
08A06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.8.a.(6)(a) through A.8.a.(6)(c).
	(7) Total Payments to Foreign Contractors for Services - Enter the net of lines A.8.a.(5) and A.8.a.(6)(d).
	b. U.S. Contractors
	(1) Operation and Maintenance
08B01A	(a) Real Property Maintenance, Repair, and Minor Construction
08B01B	(b) Other Operation and Maintenance
	(c) Total Services, U.S. Contractors, O & M - Enter the sum of lines A.8.b.(1)(a) and A.8.b.(1)(b).
08B020	(2) Research, Development, Test and Evaluation
08B030	(3) Military Assistance Appropriations and Funds, Services, U.S. Contractors
08B040	(4) Other Appropriations and Funds, Services, U.S. Contractors
	(5) Subtotal - Enter the sum of lines A.8.b.(1)(c) and A.8.b.(2) through A.8.b.(4).
	(6) Less Returns to U.S. (-)
08B06A	(a) U.S. End Products
08B06B	(b) U.S. Services
08B06C	(c) U.S. Transportation
	(d) Total Returns - Enter the sum of lines A.8.b.(6)(a) through A.8.b.(6)(c).
	(7) Net Payments to U.S. Contractors for Services - Enter the net of lines A.8.b.(5) and A.8.b.(6)(d).

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	c. Net Payments to U.S. and Foreign Contractors for Services - Enter the sum of lines A.8.a.(7) and A.8.b.(7).
	9. Grants to Foreign Entities - Report cash grants paid from the following appropriations and funds. Exclude grants under Military Assistance Grant Aid authorized by the Arms Export Control Act of 1976, as amended.
09A000	a. Research, Development, Test, and Evaluation
09B000	b. Reserved
09C000	c. Other Appropriations and Funds
	d. Total Grants to Foreign Entities - Enter the sum of lines A.9.a through A.9.c.
	10. Other Payments - Report all other payments made abroad, not elsewhere classified.
10A000	a. Operation and Maintenance
10A020	b. Operation and Maintenance, Army
	c. Military Assistance Appropriations and Funds
10B010	(1) International Military Headquarters (Project R 1)
10B020	(2) Other Military Assistance Appropriations and Funds
	(3) Subtotal - Enter the sum of lines A.10.c.(1) and A.10.c.(2).
10B040	(4) Weapons Production Program - (Project R 5 0)
10B050	(5) Research and Development - (Projects P 1 0 and P 2 0)
	(6) Total Other Payments, Military Assistance - Enter the sum of lines A.10.c.(3), A.10.c.(4) and A.10.c.(5).
10C000	d. Retired Pay, Defense - Report payments to retired personnel living abroad.
10D000	e. Other Claims - Report claims, including death gratuities, other than personnel claims (Code 01L000).
10E000	f. Counterpart Foreign Currency Payments
10F000	g. Other Appropriations and Funds
	h. Subtotal - Enter the sum of lines A.10.a, A.10.b., A.10.c.(6), and A.10.d through A.10.g.
	i. Less Returns to the U.S. (-)
10H010	(1) U.S. End Products
10H020	(2) U.S. Services
10H030	(3) U.S. Transportation
	(4) Total Returns - Enter the sum of lines A.10.i.(1) through A.10.i.(3)

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	j. Total Other Payments - Enter the net of lines A.10.h. and A.10.i.(4).
110000	11. Foreign Currency (FT) Accounts - Enter all payments from FT accounts for which management responsibility has been delegated to the DoD. The amounts reported on this line shall be consistent with the total of all FT accounts reported on the Statement of Transactions and Accountability for the same period.
	12. Summary
	a. Total Payments - Enter the sum of lines A.1.r., A.2.e., A.3.e., A.4.e., A.5.h., A.6.e., A.7.g., A.8.c., A.9.d., A.10.j. and A.11.
12B000	b. Reserved
12C000	c. Reserved
12D000	d. Less Payments Reimbursable from AID, Department of State, or Funds Appropriated to the President - Enter the amount as a negative (-).
12E000	e. Less Fines, Penalties, and Forfeitures
12F000	f. Less Interest & Dividends
	g. Total Net Payments - Enter the net of line A.12.a. and lines A.12.b. through A.12.f.
	B. Collections
	13. Collections for DoD Cash Sales
13A000	a. Foreign Military Sales Trust Fund, Account 8242 - (Excludes reimbursements for prior expenditures from Account 8242)
13B000	b. Less: Refunds to the account of foreign governments from FMS Account 8242 - Enter the amount as a negative (-).
13C000	c. Military Assistance Appropriations, Accounts 11X1080, 11X1081, 11X1088, and 11X4116
13D000	d. Other Sales Accounts
13E000	e. Other Collections for DoD Cash Sales
	f. Total Collections for DoD Cash Sales - Enter the sum of lines B.13.a. through B.13.e.
140000	14. Advances from Foreign Countries on Sale Agreements - This line applies only to sales under long-term credits where an advance has been received this period. It does not apply to cash sales.
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	15. Repayment of Loans - Enter repayments of principal on FMS loans and Other DoD Loans.
15A000	a. Collection of Principal Miscellaneous Receipt Account Treasury Account 2968
15B000	b. Liquidation of FMS Trust Fund Account 11X4117
15C000	c. Collections for Guaranty Reserve Fund 11X4121
15D000	d. Reserved
15E000	e. Reserved
15F000	f. Ryukyu Islands Power System
	g. Total Repayment of Loans - Enter the sums of lines B.15.a. through B.15.f.
	16. Joint Weapons Production and Exchange Agreements - Enter collections resulting from transactions under this program.
16A000	a. Reserved
16B000	b. Other
	c. Total Collections for Joint Weapons Production and Exchange Agreements - Enter the sum of lines B.16.a. and B.16.b.
170000	17. Contributed Currencies - Report currencies contributed by foreign governments that reimburse the U.S. Government for operating costs of MAAGs and Missions. See DoD Instruction 2110.31 (Contributions by Foreign Governments for Administrative and Operating Expenses of Military Assistance Programs).
180000	18. Collections for Sales by Property Disposal Officers - Report collections and reimbursements for all sales of surplus, excess, foreign excess, scrap, salvage, timber and lumber products, sold overseas, including the bid deposits of successful bidders recorded in: Accounts from Sales of Personal Property pursuant to exchange/sales procedures and industrial fund accounts. Exclude bid deposits recorded in Deposit Account 6500, Clearing Account 3875, and collections made directly into account 8242.
	19. Collections of Interest - Report the interest collected from foreign debtors on direct long-term credits, including fees and premiums on guaranteed loans, and other interest such as that collected on deposits in foreign banks and on advances.
190000	a. Interest Received from Loans & Financing Accounts
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
19A000	b. Miscellaneous Receipt Accounts - (Other than those shown in B.19.a., B.19.c, B.19.f., and B.19.g)
19B000	c. Foreign Military Credit Sales, Account 1468
19C000	d. FMS Account 8242
19D000	e. FT accounts
19E000	f. Ryukyu Islands Power System Loan
19F000	g. Interest on Advances h. Total Collections of Interest - Enter the sum of lines B.19.a. through B.19.g.
200000	20. Collections for Deliveries of DoD Materiel and Services Billed Locally to Foreign Residents - Report collections for all logistical support or sales abroad at the amount billed and collected locally to foreign residents. Includes sales of foreign non-excess personal property and all services rendered.
210000	21. Collections for Deliveries Billed Centrally for Logistical Support - Report the amount of collections for all material and services billed centrally for logistical support furnished by a DoD Component to a foreign resident or international organization. Collections to be reported on this line are separate and apart from collections that are reported on line B.13. and will encompass all other arrangements for support of foreign country or international organization forces by the DoD Component.
220000	22. Collections for Loans and Leases of Aircraft, Vessels, and Other Equipment - Enter all reimbursements received for loan or lease of aircraft and vessels. Exclude collections for such transfers under FMS and Military Assistance Grant Aid - Enter all reimbursements received for loan or lease of aircraft and vessels. Exclude collections for such transfers under FMS and Military Assistance Grant Aid.
230000	23. Reserved
240000	24. Barter/Sales of Surplus Agricultural Products - Enter only in the worldwide summary report the amount paid to the Commodity Credit Corporation (CCC) representing barter sales of surplus agricultural products pursuant to a barter contract.
	25. Total Collections. - Enter the sum of lines B.13.f., B.14., B.15.g., B.16.c., B.17., B.18., B.19.h., and B.20. through 24.

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
	C. Deliveries - Delivery data for the following categories will be prepared by appropriate agencies pursuant to DoD 5105.38-M (Security Assistance Management Manual). Level of detail for each category and method of reporting will be established by agreement between OUSD(C) and the appropriate agency and will be implemented by the effective date of this Instruction.
260000	26. Reserved
270000	27. DoD Deliveries - Foreign Military Sales - Deliveries of materiel and services relative to direct sales authorized by the Arms Export Control Act of 1976, as amended, as indicated by the generic codes in DoD 5105.38-M.
280000	28. Deliveries under Joint Weapons Production and Exchange Agreements - The value of components or services provided by the U.S. Government under weapons production programs and delivered to countries outside the U.S. by the categories stated in DoD 5105.38-M.
	29. Interest - Do not report delivery data for interest.
	30. Deliveries by Property Disposal Officers - Do not report deliveries by Property Disposal Officers.
	31. Contributed Currencies - Do not report delivery data for contributed currencies.
	32. Deliveries of DoD Materiel and Services Billed Locally to Foreign Entities - Do not report deliveries of DoD materiel and services billed locally to foreign entities.
	33. Deliveries Billed Centrally for Logistical Support - Do not report deliveries billed centrally for logistical support.
	34. Transfers Without Reimbursement, Military Assistance Program (Grant Aid) - Transfers to foreign countries and international organizations as Military Assistance Grant Aid relative to the Foreign Assistance Act of 1961, as amended, as indicated by the generic codes in DoD 5105.38-M.
34A000	a. Special Drawdown Authority
34B000	b. Excess Defense Articles Program

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
34C000	c. Under International Treaties and Agreements
	35. Loans and Leases of Aircraft, Vessels, and Other Equipment - This includes the value at unit inventory prices as carried on the books of the DoD Component at centrally controlled management offices of equipment loaned or leased to foreign governments. It excludes transfers under FMS and Military Assistance Grant Aid.
35A000	a. Original Deliveries
35B000	b. Less: Returns of Aircraft, Vessels, and Other Equipment (-)
35C000	c. Net Loans and Leases of Aircraft, Vessels, and Other Equipment Enter the net of lines C.35.a and C.35.b.
360000	36. Transfers of Real Property - This includes the transfer of land, buildings, utilities, and improvements, excluding leases, by a DoD Component to a foreign government or international organization, at the amount carried on the real property records. Refer to DoD Instruction 4165.14 (Real Property Inventory & Forecasting).
370000	37. Joint Weapons Production and Exchange Agreements - This includes the value of end products furnished to the U.S. under joint weapons production and exchange agreements.
380000	38. Deliveries under Reimbursement from the AID, Department of State, or Funds Appropriated to the President - This includes the value of end items furnished to foreign governments.
	39. Outlays from Appropriations, Other Assistance Grant Aid - Include outlays from appropriations in support of other U.S. foreign assistance.
39A	a. Overseas Humanitarian, Disaster, and Civic Aid Defense. (97 0819)
39A000	(1) Overseas Humanitarian, Disaster, and Civic Activities 97 0819 (Gross Appropriation Amount).
39A020	(2) Less: Returns to the U.S. (97 0819).
39B	b. Cooperative Threat Reduction Account, Defense (97 0134)
39B000	(1) Former Soviet Union Threat Reduction 97 0134 (Gross Appropriation Amount).
39B020	(2) Less: Returns to the U.S. - (97 0134).
39C	c. Drug Interdiction and Counter-Drug Activities, Defense, in-country support only - Outlays from 97 0105 only for in-country support.
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
39C000	(1) Drug Interdiction and Counter-Drug Activities 97 0105 (Gross Appropriation Amount).
39C020	(2) Less: Returns to the U.S. – (97 0105).
39D	d. Contingency Operations - Incremental costs collected by DFAS-Columbus under section 607 of the Foreign Assistance Act Of 1961, as amended.
39D000	(1) Contingency Operations – Incremental Costs Incurred (Gross Appropriation Amount).
39D020	(2) Less: Returns to the U.S.
39E	e. Afghanistan Security Force Fund, Army (21 2091).
39E000	(1) Afghanistan Security Force Fund, Army 21 2091 (Gross Appropriation Amount).
39E020	(2) Less: Returns to the U.S.
39F	f. Iraq Security Force Fund, Army (21 2092).
39F000	(1) Iraq Security Force Fund, Army 21 2092 (Gross Appropriation Amount).
39F020	(2) Less: Returns to the U.S.
39G	g. Commander's Emergency Relief Program (21 2020 Project 13600000000).
39G000	(1) Commander's Emergency Relief Program 21 2020 Project 13600000000 (Gross Appropriation Amount).
39G020	(2) Less: Returns to the U.S.
39H	h. Commander's Humanitarian Relief and Reconstruction Program (21 2020 Project 13619800000).
39H000	(1) Commander's Humanitarian Relief and Reconstruction Program 21 2020 Project 13619800000 (Gross Appropriation Amount).
39H020	(2) Less: Returns to the U.S.
39I	i. Iraq Relief and Reconstruction Fund, Army (21 X 2089).
39I000	(1) Iraq Relief and Reconstruction Fund, Army 21 X 2089 (Gross Appropriation Amount).
39I020	(2) Less: Returns to the U.S.
39J	j. Natural Resources Risk Remediation Fund, Defense (NRRRF) (97 X 0142).
39J000	(1) Natural Resources Risk Remediation Fund, Defense (NRRRF) 97 X 0142 (Gross Appropriation Amount).
39J020	(2) Less: Returns to the U.S.
39K	k. Global HIV/AIDS Initiative (19-97 x 1030) and Global Health and Child Survival (19-97 x 1031) 632a transfers.
* Table 13-13 (Cont'd)	

Table 13-13: Line Item Captions and Descriptions Accounting Report 1 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 1
39K000	(1) Global HIV/AIDS Initiative (19-97 1030) and Global Health and Child Survival (19-97 1031) 632a transfers (Gross Appropriation Amount).
39K020	(2) Less: Returns to the U.S.
39L	1. Pakistan Counterinsurgency Fund, Army (21 2095).
39L000	(1) Pakistan Counterinsurgency Fund, Army 21 2095 (Gross Appropriation Amount).
39L020	(2) Less: Returns to the U.S.
400000	40. Military Gross Pay U.S. Personnel - This includes payments to U.S. personnel for "gross pay".
* Table 13-13 (Cont'd)	

Table 13-14: Line Item Captions and Descriptions Accounting Report 2

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 2
	1. Country (column 1) - List each country abroad according to the guidance provided by the National Geospatial-Intelligence Agency (NGA) (see Tables 13-7 and 13-8) for which there are nonappropriated fund transactions entering the IBOP. Data for Puerto Rico and other U.S. territories and possessions will be shown separately following the "Total" line, but not included in "Total."
202XXX	a. Sales (column 2) - This includes receipts from the sales of merchandise and services, including commissions from concessionaires. It excludes concessionaire sales and receipts from any U.S. Government agency or activity.
203XXX	b. Other Revenues (column 3) - This includes such receipts as membership dues, chaplain's funds, and net receipts from bingo or slot machines.
	c. Total Receipts (Column 4) - Enter the sum of the receipts shown in columns 2 and 3.
205XXX	d. Net Pay, U.S. Personnel (column 5) - This includes net pay of U.S. civilian personnel (part time or full time), and U.S. military personnel employed while off duty.
206XXX	e. Gross Pay, Foreign Nationals (column 6) - This includes gross pay of all direct or indirect hire, foreign nationals, as well as all payments to or on behalf of the foreign nationals.
207XXX	f. Foreign Payments for Procurement of Merchandise for Resale (column 7) - This includes foreign payments for merchandise purchases for resale. It excludes payments for purchases from any U.S. Government agency or activity other than to the Commodity Credit Corporation (CCC) under barter agreements.
208XXX	g. Other Foreign Payments (column 8) - This includes other payments for operating expenses, construction, renovation, and equipment not included in columns 5, 6, and 7. It excludes payments to any U.S. Government agency or activity other than to the CCC under barter agreements.
	h. Total Foreign Payments (column 9) - Enter the sum of columns 5 through 8.
210XXX	i. Net Excess of Payments or Receipts (column 10) - Enter the net of column 4 and column 9. If the payments (column 9) are greater than the receipts (column 4), the difference will be shown as a positive figure. If the receipts (column 4) are greater than the payments (column 9), the differences will be shown as a negative figure. The entry is the same as that for line 01M020 in AR-1. (Table 13-13)
Table 13-14	

Table 13-14: Line Item Captions and Descriptions Accounting Report 2 (Continued)

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 2
211XXX	j. Payments in Excess and Near Excess Foreign Currency (column 11) - This includes payments included in all lines made in currencies of countries designated as excess or near excess currency countries. Include only those payments with currencies obtained from official U.S. sources, i.e., military disbursing officers or U.S. Treasury disbursing officers. Do not report any payments made with currencies obtained from commercial banks or other non-U.S. official sources.
212XXX	k. Net Accommodation Sales (Foreign Currency) (column 12) - Enter the net amount of accommodation sales of foreign currency to U.S. personnel in facilities operated by nonappropriated fund or exchange activities as a memorandum entry for each country. Include the total amount sold to individuals less purchases, if any, from individuals.
Table 13-14 (Cont'd)	

Table 13-15: Line Item Captions and Descriptions Accounting Report 3

LINE ITEM ID CODES	LINE ITEM CAPTIONS AND DESCRIPTIONS ACCOUNTING REPORT 3
	1. Country (column 1) – List each country abroad according to the guidance provided by the National Geospatial-Intelligence Agency (NGA) (see Tables 13-7 and 13-8) for which there are MPS transactions entering the IBOP. Data for Puerto Rico and other U.S. territories and possessions will be shown separately following the “Total” line, but not included in “Total.”
301XXX	a. Meter Sales (column 2)
302XXX	b. Stamp Sales (column 3) - This includes sales to individuals
303XXX	c. Domestic Money Order Sales (column 4) - This includes sales to individuals, including fees. It excludes sales of international money orders.
304XXX	d. Money Orders Cashed (column 7) - This includes cashed by individuals.
305XXX	e. Postage Validation Imprinter (PVI) Sales (column 5)
	f. Net Excess of Payments or Receipts (column 8) - Enter the sum of columns 2 through 5 , less column 7 . If the payments (column 7) are greater than the receipts (column 6), the differences will be shown as a negative figure. If the receipts (column 6) are greater than the payments (column 7), the difference will be shown as a positive figure.
* Table 13-15	

VOLUME 6A, CHAPTER 13: APPENDIX A “DFAS-IN IBOP REPORTS”

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated October 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Moved the hyperlink for the preparation procedures for DFAS-Indianapolis International Balance of Payments (IBOP) Reports to the main body of the chapter.	Update

APPENDIX A

DFAS-IN IBOP REPORTS

*Accounting procedures for Army International Balance of Payments (IBOP) Reports can be accessed in the [DFAS-IN Regulation 37-1, “Finance and Accounting Policy Implementation”](#), chapter 28, which is located on the Assistant Secretary of the Army for Financial Management & Comptroller Homepage.

VOLUME 6A, CHAPTER 13: APPENDIX B “DFAS–CL IBOP REPORTS”

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by *bold, italic, blue and underlined font*.

The previous version dated October 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated and moved the hyperlink for the DFAS–Cleveland preparation procedures for the Navy & Marine Corps International Balance of Payments (IBOP) Reports to the main body of the chapter.	Update

APPENDIX B

DFAS-CL IBOP REPORTS

*Accounting procedures for the *Navy* & *Marine Corps* International Balance of Payments (IBOP) Reports can be accessed through the DFAS ePortal under the “Accounting Services” Community (General Fund Budget International Balance of Payment Report). New users must complete the ePortal account request form to obtain access to the procedures.

VOLUME 6A, CHAPTER 13: APPENDIX C “DFAS-CO IBOP REPORTS”

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated October 2010 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Moved the hyperlink for the DFAS-Columbus preparation procedures for the Air Force International Balance of Payments (IBOP) Reports to the main body of the chapter.	Update

APPENDIX C

DFAS-CO IBOP REPORTS

*Accounting procedures for Air Force International Balance of Payments (IBOP) Reports can be accessed in the [DFAS-DE Regulation 7010.1-R, “General Accounting and Finance Systems at Base Level”](#), chapter 28, which is located on the “DFAS4DOD” website.

VOLUME 6A, CHAPTER 14: “DEPOT MAINTENANCE REPORTING”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated August 2006 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updates organization names and office symbols to reflect current designations. Reworded and reformatted chapter for clarity. Revised references and added electronic links.	Update
140202.A	Clarifies reporting responsibilities and the identification of activities making reports.	Update
140206	Clarifies the data required from reporting activities.	Update
140301.C	Deletes reference to fields that are not used.	Update
Addendum 1	Updates organization names and categories to reflect current designations.	Update
Addendum 2	Adds Reporting Activity Identifying Codes to reflect Navy organizational realignment.	Update
Addendum 3, Section A	Adds alpha/numeric identifiers for Not Used fields. Clarifies field position identification for Fields Number 4, 5, and 15. Makes other minor technical corrections.	Update
Addendum 3, Section B	Corrects Field 7 instructions by deleting the requirement to enter cost data in Not Used fields. Corrects Field Number 14 requirements for fields requiring data entry. Makes other minor technical corrections.	Update
Addendum 4	Adds Work Breakdown Structure Codes to provide additional categorization.	Update

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CHAPTER 14

DEPOT MAINTENANCE REPORTING***1401 GENERAL**

140101. Purpose

This chapter prescribes Depot Maintenance Cost System (DMCS) requirements that the Department of Defense (DoD) Components must satisfy with regard to reporting the accomplishment and status of DoD depot maintenance workloads in:

- A. DoD depot maintenance facilities.
- B. Private-sector facilities.
- C. Other DoD and Federal Government facilities.
- D. State, local, and foreign government facilities.

140102. Scope

These requirements apply to all depot maintenance workloads regardless of DoD funding source, e.g., Defense Working Capital Fund (DWCF), Research and Development, Procurement, General Purpose Forces, Special Operations Forces, Operation and Maintenance, or other appropriations; or non-DoD funding source, such as work done for private-sector customers or other Federal, state, local, and foreign governments. DoD depot maintenance activities that are funded by DWCF are required to follow the formal job order cost accounting requirements specified in Volume 11B, Chapter 13, "Cost Accounting Requirements for Depot Maintenance," of this Regulation. Other DoD activities performing depot maintenance workloads may use other cost-finding procedures to satisfy the reporting requirements specified in section 1402 of this chapter. DoD activities that contract with private-sector activities for depot maintenance will report as prescribed in section 1403 of this chapter. Required report line items and additional guidance are provided in:

- A. Addendum 1 – DoD Depot Maintenance Performing Activities.
- B. Addendum 2 – Reporting Activity Identifying Codes.
- C. Addendum 3 – DMCS Data Editing Tool Input File Format.
- D. Addendum 4 – Work Breakdown Structure Codes.
- E. Addendum 5 – Work Performance Category Codes.

140103. Cost Data Collection

The uniform **recording**, accumulation, and reporting of costs incurred in depot maintenance operations are required to document the use of scarce DoD resources and to assist management in the: measurement of productivity and efficiency; development and use of performance measurement and cost standards; and identification of areas in need of increased management emphasis. In addition, the data will assist in the assessment of total DoD maintenance capability, duplication of capacity, and opportunities for areas of interservice support of maintenance workloads.

140104. Managerial Use of Cost Data

Specifically, management should have depot maintenance information to assist in:

- A. Comparing repair costs with replacement costs.
- B. Overseeing the utilization of depot maintenance resources.
- C. Evaluating budgets for customers and providers of depot maintenance.
- D. Comparing cost trends among organic DoD depots and between organic and contract (private sector) sources.
- E. Formulating managerial direction and guidance for depot maintenance programs.
- F. Evaluating depot maintenance activities for efficient use of resources.
- G. Estimating depot maintenance requirements.
- H. Monitoring DoD Component compliance with various congressionally mandated reporting requirements.
- I. Examining the behavior of cost drivers over time.
- J. Identifying and evaluating total ownership costs.

140105. Cost Definition

To ensure that all workloads are accounted for and reported in DMCS, regardless of funding source, reporting requirements have been stratified to facilitate reporting of total DoD costs, both funded and unfunded, for organic and contract depot maintenance. For DMCS reporting purposes:

- A. Funded costs are those charged to the operating funds of the performing activity or the activity reporting contract depot maintenance. Funded costs are defined from the perspective of the activity performing the work or, in the case of contract maintenance, from the perspective of the program manager or administrator responsible for reporting contract costs.

Costs incurred by a DWCF or direct-funded organic activity in performance of reimbursable orders are categorized as funded, as these costs are charged to the operating account of the performing activity. Funded costs at DoD organic activities normally include items such as payroll, operating materials, and supplies.

B. Unfunded costs are costs financed by a DoD appropriation, activity, or entity other than that of the performing activity, or the reporting activity in the case of contract depot maintenance. In other words, financial responsibility resides with an entity other than the DMCS reporting unit. Material, such as a modification kit financed by a procurement appropriation not available to the performing activity, is an unfunded cost. For a direct-funded activity, depreciation of plant and equipment financed by procurement appropriations and facilities maintenance financed by a regional command are examples of unfunded costs.

*1402 REPORTING REQUIREMENTS

140201. General Reporting Requirements

The DMCS reporting requirements contained in this chapter, including any subsequent data and format revisions, are the responsibility of the Assistant Deputy Under Secretary of Defense for Maintenance Policy and Programs, (ADUSD(MPP)), Office of the Under Secretary of Defense (Acquisition, Technology & Logistics). The ADUSD(MPP) shall provide the data revisions and report format changes to the [Office of the Under Secretary of Defense \(Comptroller\)](#), Accounting & Finance Policy Directorate, for publication in subsequent revisions of this chapter. The senior official with responsibility for logistics in each DoD Component is responsible for timely reporting. The Assistant Secretary responsible for financial management in the Military Departments (or equivalent in other DoD Components) is responsible for providing complete and accurate financial data to the report preparer in sufficient time for report submission.

140202. Applicability of Reporting Requirements

The depot maintenance cost report required by this chapter applies to all Services and other DoD activities that accomplish depot maintenance workloads or have depot maintenance workloads accomplished by contract. This includes all work performed by DoD depot maintenance activities, as well as all DoD depot-level maintenance accomplished by other Government activities and contractors.

A. [Performing and Reporting Activities](#)

1. Addendum 1 identifies [the principal](#) DoD depots, shipyards, and other [depot maintenance](#) activities that historically have accomplished depot maintenance workloads. Work accomplished at activities listed in that addendum shall be [reported as specified in subparagraphs 140301.A and B of this chapter](#). Work performed by DoD activities not listed in Addendum 1 shall be reported in accordance with subparagraph 140301.C of this chapter. All other work (e.g., that performed by contractors; other Federal Government activities; and state, local, and foreign governments) shall be reported as stipulated in

subparagraph 140301.D of this chapter by the program administering offices designated by the official in each DoD Component responsible for reporting DMCS data.

2. Addendum 2 is a list of activities that are required to report depot maintenance workloads. Activities performing depot maintenance not listed in Addendum 2 will request an appropriate identifying code from ADUSD(MPP) or its designated agent.

B. Report records from DoD performing activities shall reflect total costs incurred, including the cost of any subsidiary ordering from other government activities or contracting with commercial firms incident to accomplishing workloads. Due to the increasing use of contractual labor support, the report accommodates separate reporting of direct labor hours and costs of contract labor used to augment the workforce when the hours and associated costs are obtainable from local cost accounting data.

C. Report records for DoD depot-level maintenance performed by contractors and DoD entities not listed on Addendum 1 shall include all costs to DoD incurred in performing the work. These reports shall:

1. Exclude intermediate-level, organizational-level, and other non-depot-level maintenance services (unless those maintenance services are an integral part of a depot-level task or contract).

2. Include the depot-level maintenance portion of Contractor Logistics Support (CLS), Interim Contractor Support (ICS), Performance-Based Logistics (PBL), and similar contracts. Report the direct costs of the depot maintenance performed, as well as associated overhead and other costs attributable to the depot-level maintenance portion of the contracts.

3. Include the cost of Government-furnished material and Government-furnished services consumed in producing a product or service, even though financed or provided by a source other than the primary reporting office or entity.

4. Provide all appropriate categorization codes, including Item Identification, Weapon or Support System Code (WSSC), Work Breakdown Structure (WBS), Work Performance Category (WPC), and the average number of Shop Flow Days.

140203. Work Performance Categories

Addendum 5 contains the WPCs that identify the nature of work performed. In cases where there may be overlap between WPC categories, report costs in the highest level of repair. For example, if manufacture is required to complete an overhaul because critical parts are not available, then costs are reported as overhaul.

140204. DMCS Data Submission Process

A. Frequency and Timing of Submittal. Annual DMCS data submissions shall be provided to ADUSD(MPP) or its designated agent no later than December 31 following the end of the fiscal year. Reporting requirement symbol AP-MP(A)1397 is assigned to this reporting requirement. Parties responsible for data submission are listed in paragraph 140201 of this chapter.

B. Accompanying Documents

1. Each data submission shall be accompanied by a transmittal memorandum to the ADUSD(MPP) that includes a brief discussion of any anomalies in the data, significant changes from previous submissions, or other pertinent information to aid in processing the data. The transmittal memorandum for the report shall identify a point of contact within the submitting activity for issues and questions related to the data being reported.

2. Within 90 days of the initial submission due date, a brief narrative analysis (three to five pages) explaining trends in the data shall be submitted to the ADUSD(MPP). The focus of the narrative analysis shall be on the factors driving year-to-year changes in cost and direct labor hours. These factors include changes in workload; changes in contract support (both in level of effort and in price); changes in the prices paid for labor, material, and other resources; and, when applicable, significant changes in organic maintenance processes and financial policies. The impact of the factors should be expressed in quantitative terms (for example, an average 3.2-percent material price change or a 2.1-percent improvement in direct labor productivity).

C. Reporting Activities. Addendum 2 identifies the reporting activities that are required to annually submit AP-MP(A)1397 data.

D. Quality Control and Editing of Data Prior to Submission. The AP-MP(A)1397 report serves as a principal database in support of ADUSD(MPP) weapon systems depot maintenance cost and production analyses and external reporting, as well as the principal joint-service database on depot maintenance production operations. The ADUSD(MPP) provides a data editing and submission file creation tool in the form of a relational database application. This tool, which provides Component-specific and general edits, facilitates accuracy and consistency of data submitted by the individual Components. The use of this tool is a required element of the submission process. Appropriate personnel within each reporting activity will be provided with training in tool usage. In addition, the ADUSD(MPP) will provide each Component with tool updates on an annual basis prior to the end of the fiscal year.

E. Data Input to the Data Editing Tool. The format and content of DMCS data input to the Data Editing Tool shall be in accordance with Addendum 3. Alternative formatting of data may be agreed upon by the individual services and the ADUSD(MPP) or its designated agent.

F. Form and Method of DMCS Data Submissions. Annual AP-MP(A)1397 data shall be submitted to ADUSD(MPP) or to its designated agent using the DMCS Data Editing Tool described in subparagraph 140204.D of this chapter. The tool containing the data and associated documentation may be compressed and submitted in a variety of ways, for example, compact disk, file transfer protocol (FTP), email, or other medium agreed upon by the ADUSD(MPP) or its designated agent and the reporting activity.

G. DoD-Level Review Process. The review and update of annual AP-MP(A)1397 submissions shall be accomplished as follows:

1. Within 15 days of receipt of each Component submission, the ADUSD(MPP) or its designated agent shall perform an edit of the data and provide each reporting activity or Component data consolidation point with preliminary versions of summary tables and the applicable section of the “DoD Depot Data Highlights Report.” Any data discrepancies will also be reviewed at this time with the individual reporting activities or consolidation points.

2. Within a further 30 days, the Component shall review and make appropriate updates or provide explanations to support the data as initially submitted.

3. Within 30 days following receipt of all revised Component data, the ADUSD(MPP) or its designated agent shall prepare and publish the final versions of summary tables and the “DoD Depot Data Highlights Report.” At that time, a final fiscal year database shall be established as a historical file for subsequent analysis by the Office of the Secretary of Defense (OSD), the Components, and other authorized activities.

4. Within a further 15 days, the Components shall submit the narrative analyses described in subparagraph 140204.B.2 of this chapter.

H. Retention of Submitted Data by Reporting Facilities. Reporting activities shall retain submission files for a minimum of 5 years.

140205. DMCS Data Maintenance Requirements

The Components shall ensure that cost and production reporting systems retain the capability to provide an audit trail back to individual job order cost records or other data sources when needed to support DMCS report records.

140206. Report Record Data Requirements

A report record is required for each type of depot maintenance work (Field 14) performed for each different weapon system or item identification number as indicated by different data entries in Addendum 3. Data for similar job orders may be consolidated provided the item repaired, services performed, and other report record fields are consistent. All fields in Addendum 3 are mandatory except for those explicitly identified as “Not Used.” “Not Used” fields may be employed by Reporting Activities for internal use or left blank. Where

quantitative data such as costs and man-hours are required, enter “0” (zero) if there are no data associated with the fields. Null mandatory fields are not acceptable.

A. The ADUSD(MPP) or its designated agent shall maintain lookup tables of pertinent data elements and codes for use by the Military Departments in compiling the DMCS report. These tables will include Weapon or Support System Codes, Performing Activity Identification Codes, Reporting Activity Identification Codes, Work Performance Category Codes, Item Identification Codes and Nomenclature, Work Breakdown Structure Codes, and Customer Codes. Components will review the codes annually and notify the ADUSD(MPP), or the designated representative, of any needed additions or deletions. Codes shall not be changed at any other time except by agreement between the ADUSD(MPP) or its designated agent and the individual Components.

B. The Defense Finance and Accounting Service (DFAS) shall work with the Components to ensure that DFAS financial systems retain the capability to provide cost detail needed to satisfy the reporting requirements of this chapter. Preparation of the DMCS report shall be the responsibility of the DoD Component performing the work or managing the contract.

C. Each depot maintenance reporting activity shall implement quality assurance procedures to be applied to each DMCS record as it is created and populated. Such procedures shall include validity checks to prevent errors, such as identifying an F/A-18A aircraft as a submarine. Each reporting activity that consolidates DMCS organic and contract records shall also implement quality control procedures for all its performing facilities. Reporting facilities shall use the DMCS Data Editing Tool or similar application to validate the records.

140207. Report Record Type

The data submission report shall consist of two types of report records. For both types, the costs reported shall be cumulative from inception.

A. The first type is cumulative costs for financially completed work. All report transaction records for customer orders that have been financially completed shall be identified with a “C” in Field 51. The reported amount for work completed by contractors shall equal the total cost (funded and unfunded) incurred.

B. The second type is cumulative costs for not financially complete work. These costs shall be reported in order to form a complete picture of the work accomplished at each activity performing depot maintenance. Report records for not financially complete work shall be identified with a “W” in Field 51.

140208. Report Record Corrections

Once an annual DMCS report cycle is completed and the results published, the data should remain unchanged. Therefore, it is important that corrections and adjustments be incorporated in the original report records. The only exceptions shall be for corrections or

adjustments that materially change a total for an entire performing facility. In the event significant corrections to prior year data become necessary, the ADUSD(MPP) or its designated agent should be contacted to coordinate processing the necessary changes.

140209. Additional Reporting Requirements

In addition to the above reports, depot maintenance activities are subject to reporting requirements specified in other chapters of this Regulation.

*1403 DEPOT MAINTENANCE WORKLOAD REPORTING CATEGORIES

140301. Workload Reporting Activities

Depot maintenance may be performed at DoD depots, at private-sector commercial contractor facilities, and at other DoD in-house facilities, such as intermediate maintenance facilities, arsenals, ordnance stations, or public works centers. DMCS requirements for reporting this work vary, depending upon the category of activity performing the work, as follows:

A. DoD Depot Maintenance Activities. The major maintenance activities are listed in Addendum 1 under the headings: Army Depots; Naval Shipyards; Fleet Readiness Centers; Marine Corps Depots; and Air Force Depots. Funded and unfunded DoD costs for these activities are reported in Fields 17 through 35, with an owner/operator code (Field 7) of “1.” The cost of work suballocated, in part, by a depot to another DoD facility or commercial firm shall be reported as an “other direct funded cost” (Field 30). These major maintenance activities shall report all work accomplished by the activity.

B. Other DoD Facilities Listed in Addendum 1. These activities shall report funded and unfunded costs to DoD incurred in performing work defined as depot maintenance. Costs shall be reported in Fields 17 through 35 with an owner/operator code (Field 7) of “1”. These facilities shall report the full costs of depot maintenance work only.

C. DoD Facilities Not Listed in Addendum 1. The program manager or DoD entity (as determined by each Component’s DMCS reporting official) responsible for program oversight shall report the costs in Fields 36, 37, and 41 with an owner/operator code (Field 7) of “2”.

D. Non-DoD Facilities. Work performed at private-sector commercial contractors; Government-owned/contractor-operated (GOCO) facilities; non-DoD Government activities; and state, local, and foreign government facilities shall be reported by the DoD activity initiating the order (e.g., systems program offices, program managers, major commands, major subordinate commands, Fleet Forces Command, the Naval Inventory Control Points, and other activities that use DoD funds, regardless of source, to obtain depot maintenance from non-DoD entities). Reporting activities shall ensure that data submissions for depot maintenance performed at non-DoD activities are complete and accurate and that report records reflect an owner/operator code of “3” in Field 7, non-DoD entity costs in Field 36, and Government-furnished materials and services costs in Fields 37 and 41. Government-furnished materials and

services include goods and services funded or provided by a sponsor or contract other than administered by the primary reporting entity.

140302. Primary Workload Reporting Data Fields

The DMCS reports from all activities shall identify the item worked on, the work performance category, and work breakdown structure classification to the extent economically feasible.

1404 SPECIAL REPORTS

Any one-time or additional reports required shall be as prescribed by the [Director for Accounting & Finance Policy](#) or the Assistant Deputy Under Secretary of Defense for Maintenance Policy [and Programs](#).

*ADDENDUM 1

DoD DEPOT MAINTENANCE PERFORMING ACTIVITIES
(Activities That Report With a “1” in Field 7)

DEPARTMENT OF THE ARMYArmy DepotsLocation

Anniston Army Depot	Anniston, Alabama
Corpus Christi Army Depot	Corpus Christi, Texas
Letterkenny Army Depot	Chambersburg, Pennsylvania
Red River Army Depot	Texarkana, Texas
Tobyhanna Army Depot	Tobyhanna, Pennsylvania

DEPARTMENT OF THE NAVYNaval ShipyardsLocation

Norfolk Naval Shipyard	Portsmouth, Virginia
Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility	Pearl Harbor, Hawaii
Portsmouth Naval Shipyard	Kittery, Maine
Puget Sound Naval Shipyard and Intermediate Maintenance Facility	Bremerton, Washington

Fleet Readiness Centers (FRCs)Location

FRC East	Cherry Point, North Carolina
FRC Southeast	Jacksonville, Florida
FRC Southwest	North Island, California

Other Navy FacilitiesLocation

Japan Regional Maintenance Center	Yokosuka, Japan
Naval Surface Warfare Center	Crane, Indiana
Naval Undersea Warfare Center	Keyport, Washington
Space and Naval Warfare Systems Center, Pacific	San Diego, California
Space and Naval Warfare Systems Center, Atlantic	Charleston, South Carolina

*ADDENDUM 1

DoD DEPOT MAINTENANCE PERFORMING ACTIVITIES
(Activities That Report With a “1” in Field 7)

MARINE CORPS

<u>Marine Corps Logistics Bases</u>	<u>Location</u>
Maintenance Center Albany	Albany, Georgia
Maintenance Center Barstow	Barstow, California

DEPARTMENT OF THE AIR FORCE

<u>Air Force Depots</u>	<u>Location</u>
Ogden Air Logistics Center (ALC)	Hill AFB, Utah
Oklahoma City ALC	Tinker AFB, Oklahoma
Warner-Robins ALC	Robins AFB, Georgia

<u>Other Air Force Facilities</u>	<u>Location</u>
Aerospace Maintenance and Regeneration Group	Davis-Monthan AFB, Arizona

<u>DEFENSE LOGISTICS AGENCY</u>	<u>Location</u>
Defense Supply Center, Richmond Product Center 12	Mechanicsburg, Pennsylvania

*ADDENDUM 2 <u>REPORTING ACTIVITY IDENTIFYING CODES</u> (Codes To Be Used in Field 8)		
IDENTIFYING CODE	ACTIVITY NAME	DoD COMPONENT
0ZTW5	Aerospace Maintenance and Regeneration Group (AMARG)	Air Force
98747	Ogden Air Logistics Center (ALC)	Air Force
98748	Oklahoma City ALC	Air Force
98752	Warner-Robins ALC	Air Force
H0000	Aviation and Missile Command (AMCOM)–Air	Army
L0000	AMCOM–Missile	Army
75117	Anniston Army Depot (AD)	Army
HQAMC	Army Materiel Command Headquarters	Army
G0000	U.S. Army Communications-Electronics Command (CECOM)	Army
0SDA4	Corpus Christi AD	Army
0NDM7	Letterkenny AD	Army
67101	Red River AD	Army
B0000	Research, Development and Engineering Command (RDCOM)	Army
M0000	U.S. Army Tank–Automotive and Armaments Command (TACOM) Rock Island	Army
K0000	TACOM Warren	Army
14850	Tobyhanna AD	Army
99998	Defense Supply Center, Richmond, Product Center 12	DLA
67004	Maintenance Center Albany	Marine Corps
62204	Maintenance Center Barstow	Marine Corps
65923	Fleet Readiness Center (FRC) East	Navy
65886	FRC Southeast	Navy
44321	FRC West	Navy
44329	FRC Northwest	Navy
65888	FRC Southwest	Navy
44327	FRC Mid Atlantic	Navy
66021	FRC Western Pacific	Navy
68778	FRC Support Equipment Facility	Navy
30003	Naval Air Systems Command (NAVAIR) Headquarters	Navy
00383	Navy Inventory Control Point (NAVICP), Philadelphia	Navy
00104	NAVICP-Mechanicsburg	Navy
81601	Norfolk Naval Shipyard (NSY)	Navy
89103	Pearl Harbor NSY and Intermediate Maintenance Facility (IMF)	Navy

*ADDENDUM 2 <u>REPORTING ACTIVITY IDENTIFYING CODES</u> (Codes To Be Used in Field 8)		
IDENTIFYING CODE	ACTIVITY NAME	DoD COMPONENT
81316	Portsmouth NSY	Navy
82522	Puget Sound NSY and IMF	Navy
00164	Naval Surface Warfare Center (NSWC) Crane	Navy
00253	Naval Underwater Warfare Center (NUWC) Keyport	Navy
66001	Space and Naval Warfare Systems Center (SSC), Pacific	Navy
65236	SSC Atlantic	Navy
32253	Hawaii Regional Maintenance Center (RMC)	Navy
4523A	Northwest RMC	Navy
40025	Mid-Atlantic RMC	Navy
40026	South Central RMC	Navy
69097	Southwest RMC	Navy
40027	Southeast RMC	Navy
62758	Japan RMC	Navy

*ADDENDUM 3 SECTION A DMCS DATA EDITING TOOL INPUT FILE FORMAT			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
RECORD IDENTIFICATION:			
1	Not Used (Leave Blank)	1	1A/N
2	Not Used (Leave Blank)	2	1A/N
3	Fiscal Year	3–4	2N
IDENTIFICATION OF FACILITY:			
4	a. Not Used (Leave Blank) b. Reporting Component	5-9 10	5A/N 1A
5	Performing Activity Identifying Code a. Organic Activity Identifying Commercial and Government Entity (CAGE) or Other Identifying Code b. Not Used (Leave Blank)	11-15 16-24	5A/N 9A/N
6	Not Used (Leave Blank)	25	1A/N
7	Owner and/or Operator Code	26	1N
8	Reporting Activity Identifying Code	27–31	5A/N
IDENTIFICATION OF ITEM AND/OR SERVICE AND CUSTOMER:			
9	Item Identification Code	32–44	13A/N
10	Item Nomenclature	45–64	20A/N
11	Not Used (Leave Blank)	65–74	10A/N
12	Weapon or Support System Code (WSSC)	75–78	4A/N
13	Work Breakdown Structure (WBS) Code	79–81	3A/N
14	Work Performance Category (WPC)	82–84	3A/N
15	a. Customer Code b. Not Used (Leave Blank)	85 86	1A/N 1A/N
16	Not Used (Leave Blank)	None	0
LABOR HOUR AND COST DATA:			
17	Direct Civilian Labor—Funded Costs	87–94	8N
18	Direct Civilian Labor—Funded Hours	95–102	8N
19	Contract Labor Augmentation of Direct Workforce—Funded Costs	103–110	8N

*ADDENDUM 3 SECTION A DMCS DATA EDITING TOOL INPUT FILE FORMAT			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
20	Contract Labor Augmentation of Direct Workforce—Funded Hours	111–118	8N
21	Direct Military Labor—Funded Costs	119–126	8N
22	Direct Military Labor—Funded Hours	127–134	8N
23	Direct Military Labor—Unfunded Costs	135–142	8N
24	Direct Military Labor—Unfunded Hours	143–150	8N
25	Direct Material—Funded Costs	151–158	8N
26	Direct Material—Unfunded Costs	159–166	8N
27	Direct Civilian Labor—Unfunded Costs	167–174	8N
28	Direct Civilian Labor—Unfunded Hours	175–182	8N
29	Not Used (Leave Blank)	183–190	8A/N
30	Other Direct—Funded Costs	191–198	8N
31	Other Direct—Unfunded Costs	199–206	8N
32	Operations Overhead—Funded Costs	207–214	8N
33	Operations Overhead—Unfunded Costs	215–222	8N
34	General and Administrative—Funded Costs	223–230	8N
35	General and Administrative—Unfunded Costs	231–238	8N
36	Contract and/or Other Maintenance Activity—Funded and Unfunded Costs	239–246	8N
37	Government-Furnished Material—Funded and Unfunded Costs	247–254	8N
38	Not Used (Leave Blank)	255–262	8A/N
39	Not Used (Leave Blank)	263–270	8A/N
40	Not Used (Leave Blank)	271–278	8A/N
41	Government-Furnished Services—Funded and Unfunded Costs	279–286	8N
42	Not Used (Leave Blank)	287–294	8A/N
43	Not Used (Leave Blank)	295	1A/N
PERFORMANCE-PRODUCTIVITY (PRODUCTION) DATA:			

*ADDENDUM 3 SECTION A DMCS DATA EDITING TOOL INPUT FILE FORMAT			
FIELD NO.	DESCRIPTION OF DATA	POSITIONS	NO. OF POSITIONS
44	Not Used (Leave Blank)	296–310	15A/N
45	Total Production Quantity	311–318	8N
46	Report Data Record Identifier	319–326	8A/N
47	Not Used (Leave Blank)	327–334	8A/N
48	Not Used (Leave Blank)	335–342	8A/N
49	Not Used (Leave Blank)	343–350	8A/N
50	Shop Flow Days	351–354	4N
51	Work Status Code	355	1A
52	Not Used (Leave Blank)	356	1A/N
53	Not Used (Leave Blank)	357	1A/N
54	Not Used (Leave Blank)	358–360	3A/N

*ADDENDUM 3

SECTION BEXPLANATION OF ENTRIES REQUIRED FOR DMCS REPORTING

1. Field 1—Not Used
2. Field 2—Not Used
3. Field 3—Fiscal Year. Enter the two terminal digits of the current fiscal year being reported.
4. Field 4—Reporting Component. In position 10, enter A (Army), F (Air Force), M (Marine Corps), N (Navy), or S (Defense Logistics Agency) to designate the DoD Component providing the report.
5. Field 5—Performing Activity Identifying Code
 - a. Organic Activity Identifying Code. If the activity is Government-operated (Code 1 or 2 in Field 7), **then** enter the identifying code in positions 11 through 15 for the activity identified in Addendum 2.
 - b. Contractor CAGE or Identifying Code. If the maintenance is contractor-performed (Code 3 in Field 7), **then** enter the contract activity's CAGE code or other unique, approved **5-digit** identifier as specified by the Defense Logistics Information Service (DLIS). Start in position 11 and leave positions 16 through 24 blank. If a CAGE code has not been established for a contractor, **then** a number should be requested through appropriate channels.
6. Field 6—Not Used
7. Field 7—Owner and/or Operator Code. Enter one of the following to indicate the type of activity performing the maintenance.

Code 1—DoD Depot Maintenance Performing Activities (DoD Component in-house maintenance activities listed in Addendum 1). When Code 1 is entered in Field 7, report costs in Fields 17 through 35. Fields 36, **37**, and **41** shall be zero filled.

Code 2—Other DoD Facilities (DoD Component in-house maintenance activities not listed in Addendum 1). When Code 2 is entered in Field 7, report costs in Fields 36, **37**, and **41**. Fields 17 through 35 shall be zero filled.

Code 3—Private-sector commercial contractors, **Government-owned/contractor-operated (GOCO) facilities**, and other non-DoD **entities** (other Federal Government activities; state, local, and foreign governments). When Code 3 is entered, report costs in Fields 36, **37**, and **41**. Fields 17 through **28 and 30 through 35** shall be zero filled.

8. **Field 8—Reporting Activity Identifying Code.** A code identifying the reporting activity, including activities contracting for depot maintenance work with commercial contractors. Enter the reporting activity's identifying code as specified in Addendum 2. Depot maintenance activities performing in-house work for all other DoD activities, including other depot maintenance activities, shall report their work by using their own identifying code in this field.
9. **Field 9—Item Identification Code.** A code to identify the specific item on which depot maintenance was or is being performed. Do not use punctuation or special characters such as dashes, slashes, or blank spaces between characters. Start in position 32 and enter left justified up to 13 characters; zero fill unused positions. Sample entries for this field are as follows:
- a. If the item is an aerospace vehicle (aircraft, guided missile, rocket, or probe), **then** show the mission design series (MDS) according to [DoD Directive 4120.15E](#) and listed in [DoD 4120.15-L, "Model Designation of Military Aerospace Vehicles."](#) See examples below.

ITEMS	POSITIONS												
	32	33	34	35	36	37	38	39	40	41	42	43	44
Basic (Standard) Mission Aircraft	F	1	6	C	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Modified (Special) Mission Aircraft	M	H	5	3	E	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Special Test (Permanent) Aircraft	N	K	C	1	3	5	E	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Missile	U	G	M	1	3	3	A	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Rocket	R	U	R	5	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø
Basic (Standard) Probe	P	W	N	1	2	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø

NOTE: Ø is numeric; O is alphabetic.

- b. If the item is an aerospace vehicle propulsion engine, equipment or aeronautical support equipment, or photographic item, **then** show the type designation according to [Military Handbook \(MIL HDBK\) 1812, "Type Designation, Assignment, and Method for Obtaining."](#) See examples below.

ITEMS	POSITIONS													
	32	33	34	35	36	37	38	39	40	41	42	43	44	
Turbofan Engine	F	1	1	8	G	E	1	Ø	Ø	A	Ø	Ø	Ø	
Turboshaft, Turboprop Engine	T	F	3	4	G	E	1	Ø	Ø	B	Ø	Ø	Ø	
Solid Propellant Rocket Motor	S	R	1	1	Ø	A	D	1	A	Ø	Ø	Ø	Ø	
Manufacturer’s Model Engine	C	F	M	5	6	2	A	2	Ø	Ø	Ø	Ø	Ø	
Reconnaissance Camera	K	A	7	A	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	Ø	
Crash/Fire Truck	A	S	3	2	P	2	6	Ø	Ø	Ø	Ø	Ø	Ø	
Chemical Alarm Unit	A	E	2	3	D	3	Ø	Ø	Ø	Ø	Ø	Ø	Ø	

NOTE: Ø is numeric; O is alphabetic.

- c. If the item is a vessel, **then** show ship type and hull number in the first eight positions and zero fill the remaining five positions.
 - d. If ammunition rework or renovation is performed by a depot-level maintenance activity, **then** total cost shall be recorded by work breakdown structure code H3 (Field 13) only and this field shall be zero filled.
 - e. If none of the above is applicable and the job order is for repair of items with the same national stock number (NSN) identification, **then** enter that NSN, such as 6730001161618 in positions 32 through 44.
 - f. If none of the above is applicable, **then** enter the letters or numbers used for the identification of the job order. The first 4 digits should identify the Federal Supply Class and, of the remaining nine positions, one must be alphabetic. Zero fill when Work Performance Category (Field 14) is "Other Work (T)."
10. **Field 10—Item Nomenclature.** A 20-digit field describing the specific item on which maintenance was performed, or the support service that was performed. Use common abbreviations if more than 20 positions would otherwise be required. Start in position 45 and leave blank, unused positions to the right (left justify).
- a. For aircraft and missiles, use popular names, if assigned; such as Patriot, Cobra, Phoenix, Falcon, Minuteman, Harrier, etc. If a popular name has not been assigned or is unknown, **then** use the basic mission of the aircraft or missile, such as Fighter Aircraft, Trainer Aircraft, Cargo Trans Aircraft, Util Helicopter, or Surface Attack Missile. [DoD 4120.15-L, "Model Designation of Military Aerospace Vehicles,"](#) includes a current complete listing.
 - b. For aircraft and rocket engines, use the name of the engine type. Examples are: Turbofan Engine, and Rocket Motor.

- c. For vessels, use the name of the ship. An example is *USS Georgia*.
- d. For conventional ammunition, use “Ammunition.”
- e. For items with an NSN, use the standard description maintained by DLIS in the Federal Logistics Information System (FLIS).
- f. For all other items, use the noun and modifiers that adequately describe the item.

11. Field 11—Not Used

12. Field 12—Weapon or Support System Code. A code identifying a specific weapon or support system. Use code 997 if an item cannot be identified to a specific weapon or support system, but can be identified in Field 13 to a major commodity group (such as aircraft, missiles, etc.) and to a category (such as fighters, bombers, etc.) within the major commodity group. Use code 998 if identification is possible only to the major commodity group and not to a category. Use code 999 if identification cannot be made to a major commodity group and the Work Breakdown Structure Code L11 is used in Field 13.

13. Field 13—Work Breakdown Structure Code. A code to identify the specific type of weapon or support system to which the item described by the Item Identification Code (Field 9) and Item Nomenclature (Field 10) applies. Use the Work Breakdown Structure Code established in Addendum 4, to this chapter. Use code L11 if the item, service, or investment cannot be identified with a specifically listed Work Breakdown Structure Code and Code 999 is used in Field 12.

14. Field 14—Work Performance Category. A code to categorize the type of maintenance work performed on the item identified in Field 9 or the type of maintenance service provided. Use the Codes in Addendum 5 to this chapter. Basic alpha codes should be subcategorized with a numerical designation by each Component as required for internal management and analysis, budget review, and justification. If the report record is “N” (Technical Assistance) or “T” (Other Work), then Fields 45 and 50 must be zero.

15. Field 15—Customer Code. A code identifying the DoD Program and Department or Agency billed for the maintenance cost (that is, “Sales code”). In Position 85, enter A (Army), N (Navy), F (Air Force), M (Marine Corps), or D (Defense Agency) to designate a DoD customer. Enter Y for other Federal agencies or a Z for all non-Federal customers. Leave position 86 blank.

16. Field 16—Not Used

Fields 17–42—Labor Hour and Cost Data. The direct labor hours and summary elements of cost to be reported are set forth below. The various elements of cost are explained in detail in the basic chapter. Some clarifying notations are included below for certain fields. In addition:

- a. “Funded” and “Unfunded” costs are defined in paragraph 140105 of this chapter.

- b. Entries in direct labor hours fields shall be the actual hours expended rather than standard (or “earned”) hours.
17. Field 17—Direct Civilian Labor—Funded Costs
18. Field 18—Direct Civilian Labor—Funded Hours
19. Field 19—Contract Labor Augmentation of Direct Workforce—Funded Costs. Funded costs for direct labor performed by contract personnel who augment the organic workforce, working side by side with Government personnel, and whose time is recorded in the local time and attendance system. This excludes contract personnel working at a Government depot under a contract for delivery of a specific product such as painting an aircraft for a fixed price per aircraft. Also excluded are contract personnel performing indirect or overhead support functions.
20. Field 20—Contract Labor Augmentation of Direct Workforce—Funded Hours. Funded hours for direct labor performed by contract personnel who augment the organic workforce, working side by side with Government personnel, and whose time is recorded in the local time and attendance system. This excludes contract personnel working at a Government depot under a contract for delivery of a specific product, such as painting an aircraft for a fixed price per aircraft. Also excluded are contract personnel performing indirect or overhead support functions.
21. Field 21—Direct Military Labor—Funded Costs. Since the majority of military personnel at depot maintenance activities are there for reasons other than business requirements, their cost is to be reported based upon civilian equivalent rates that are provided by the DoD Comptroller. These are the rates reflected in DWCF activity budgets.
22. Field 22—Direct Military Labor—Funded Hours
23. Field 23—Direct Military Labor—Unfunded Costs. The labor cost for military personnel not funded by the performing activity. The cost calculation is based upon civilian equivalent rates that are provided by the DoD Comptroller. Includes military personnel at a direct funded activity or military personnel temporarily working under the supervision of a DWCF activity.
24. Field 24—Direct Military Labor—Unfunded Hours. The labor hours for military personnel not funded by the performing activity. Includes military personnel at a direct funded activity or military personnel temporarily working under the supervision of a DWCF activity.
25. Field 25—Direct Material—Funded Costs
26. Field 26—Direct Material—Unfunded Costs. Includes material provided at no cost to the performing activity.
27. Field 27—Direct Civilian Labor—Unfunded Costs. The civilian labor cost for

Government (Civil Service) employees not funded by the performing activity. Excludes contractor personnel used for workforce augmentation.

28. Field 28—Direct Civilian Labor—Unfunded Hours. The civilian labor hours for Government (Civil Service) employees not funded by the performing activity. Excludes contractor personnel used for workforce augmentation.
29. Field 29—Not Used
30. Field 30—Other Direct—Funded Costs. For example, contracted services.
31. Field 31—Other Direct—Unfunded Costs. For example, customer provided services.
32. Field 32—Operations Overhead—Funded Costs
33. Field 33—Operations Overhead—Unfunded Costs. For example, military personnel cost for indirect effort.
34. Field 34—General and Administrative—Funded Costs
35. Field 35—General and Administrative—Unfunded Costs
36. Field 36—Contract and/or Other Maintenance Activity—Funded and Unfunded Costs. When code 3 is entered in Field 7, this field shall be the total cost of the contract. When code 2 is entered in Field 7, this field shall be the non-depot maintenance activity cost and Government-furnished material or services consumed in the production of contract maintenance shall be reported in Field 37 or Field 41 as applicable. When code 1 is entered in Field 7, this field shall be zero filled.
37. Field 37—Government-Furnished Material—Funded and Unfunded Costs
38. Field 38—Not Used
39. Field 39—Not Used
40. Field 40—Not Used
41. Field 41—Government-Furnished Services—Funded and Unfunded Costs
42. Field 42—Not Used
43. Field 43—Not Used
44. Field 44—Not Used
45. Field 45—Total Production Quantity
 - a. If Field 51 is a “C,” then enter the total quantity of items for which work was completed that is being reported by this transaction record (including contractor-

performed work reported with a “3” in Field 7). This field must be zero filled for WPCs “N” and “T.”

- b. If Field 51 is a “W,” **then** enter the total quantity of items covered by job orders that are not yet financially complete at the end of the period covered by the report record. This field must be zero filled for WPCs “N” and “T.”

46. Field 46—Report Data Record Identifier. A unique DoD Component alpha and/or numeric code used to identify each individual report transaction record. The field is used to permit the unique identification of each report record. For DoD organic activities, it is recommended that the job order number or similar production control number be entered. In all cases, the numbering scheme should:

- a. Uniquely identify each job order, consolidation of similar job orders, or similar production control number.
- b. Support queries into the source of data appearing in DMCS report records.
- c. Support year-to-year tracking by job order number (or similar production control number).

47. Field 47—Not Used

48. Field 48—Not Used

49. Field 49—Not Used

50. Field 50—Shop Flow Days

- a. If Field 51 is a “C,” **then** report the average number of days that the items being reported were in process; that is, from the date an item is physically inducted to the date the item is completed, passed its final inspection, and is ready for delivery to the customer. The field may be left blank for contractor-performed work or for work performed at another depot maintenance activity if the number of days in process cannot be determined. Reasonable efforts should be made to provide accurate data for all applicable records submitted.
- b. If Field 51 is a “W,” **then** report the average number of days that each item was in process; that is, since the date of physical induction.

51. Field 51—Work Status Code. A single-digit alpha code that indicates if the transaction being reported has been financially completed, or is still in process at the time of the report.

- a. Enter a “C” if the transaction being reported has been financially completed.
- b. Enter a “W” if the transaction being reported is not financially complete as of the report date.

52. Field 52—Not Used

53. Field 53—Not Used

54. Field 54—Not Used

*ADDENDUM 4 <u>WORK BREAKDOWN STRUCTURE CODES</u> (Codes To Be Used in Field 13)			
POSITION			DESCRIPTION
79	80	81	
A	0	0	Aircraft
	1	0	Fighters
		1	Basic Aircraft
		2	Engine
		3	Aircraft and Engine Accessories and Components
		4	Electronics and Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
		8	Software
	2	0	Bombers
		*	Same as for Fighters
	3	0	Cargo and/or Transports
		*	Same as for Fighters
	4	0	Trainers
		*	Same as for Fighters
	5	0	Utility (Includes fixed-wing aircraft with a "U" designation and "C" series aircraft used in an executive aircraft role)
		*	Same as for Fighters
	6	0	Attack
		*	Same as for Fighters
	7	0	Patrol
		*	Same as for Fighters
	8	0	Antisubmarine
		*	Same as for Fighters
	9	0	Other
		*	Same as for Fighters
	A	0	Tankers
		*	Same as for Fighters
	B	0	Attack Helicopters
		*	Same as for Fighters
	C	0	Transport Helicopters
		*	Same as for Fighters
	D	0	Unmanned Aerial Vehicles
		*	Same as for Fighters
B	0	0	Automotive
	1	0	Tactical Vehicles
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)

*ADDENDUM 4 <u>WORK BREAKDOWN STRUCTURE CODES</u> (Codes To Be Used in Field 13)			
POSITION			DESCRIPTION
79	80	81	
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Electronic And Communications Equipment
		5	Armament
		6	Support Equipment
		7	Other
		8	Software
	2	0	Support Vehicles
		*	Same as for Tactical Vehicles
	3	0	Administrative
		*	Same as for Tactical Vehicles
C	0	0	Combat Vehicles
	1	0	Tanks
		*	Same as for Tactical Vehicles
	2	0	Armored Personnel Carriers
		*	Same as for Tactical Vehicles
	3	0	Self-Propelled Artillery
		*	Same as for Tactical Vehicles
	4	0	Other Combat Vehicles
		*	Same as for Tactical Vehicles
	5	0	Amphibious Vehicles
		*	Same as for Tactical Vehicles
	6	0	Unmanned Vehicles
		*	Same as for Tactical Vehicles
D	0	0	Construction Equipment
	1	0	Tractors and Earth Moving Equipment
		1	Basic Vehicle (Hull and/or Body Frame and Installed Systems)
		2	Engine
		3	Vehicle and Engine Components and Accessories
		4	Other
		5	Software
	2	0	Cranes and Shovels
		*	Same as for Tractors and Earth Moving Equipment
	3	0	Other
		*	Same as for Tractors and Earth Moving Equipment
E	0	0	Electronics and Communications Systems
	1	**	Radio

*ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13)			
POSITION			DESCRIPTION
79	80	81	
	2	**	Radar
	3	**	Computer
	4	**	Wire and Communications
	5	**	Other
	6	**	Electro Optical or Infra Red
	7	**	Software
F	0	0	Missiles
	1	0	Ballistic Missiles
		1	Basic Missile (Frame)
		2	Propulsion System and Components
		3	Missile Accessories and Components
		4	Support and Launch Equipment
		5	Guidance System and Components
		6	Surface Communications and Control Systems
		7	Payload System and Components
		8	Other
		9	Software
	2	0	Other Missiles
		*	Same as for Ballistic Missiles
	3	0	Tactical Missiles
		*	Same as for Ballistic Missiles
G	0	0	Ships
	1	0	Cruisers
		1	Hull Structure
		2	Propulsion Plant
		3	Electric Plant
		4	Command and Surveillance
		5	Auxiliary Systems
		6	Outfit and Furnishings
		7	Armament
		8	Engineering (Direct Support)
		9	Ship Support Service
		A	Software
	2	0	Aircraft Carriers
		*	Same as for Cruisers
	3	0	Destroyers
		*	Same as for Cruisers

*ADDENDUM 4 WORK BREAKDOWN STRUCTURE CODES (Codes To Be Used in Field 13)			
POSITION			DESCRIPTION
79	80	81	
	4	0	Submarines - Attack
		*	Same as for Cruisers
	5	0	Patrol Vessels
		*	Same as for Cruisers
	6	0	Mine Warfare Vessels
		*	Same as for Cruisers
	7	0	Auxiliary and Amphibious Vessels
		*	Same as for Cruisers
	8	0	Service Craft and Miscellaneous Vessels
		*	Same as for Cruisers
	9	0	Frigates
		*	Same as for Cruisers
	A	0	Submarines - Ballistic
		*	Same as for Cruisers
	B	0	Littoral Combat Ships
		*	Same as for Cruisers
	C	0	Unmanned Undersea Vehicles
		*	Same as for Cruisers
H	0	0	Ordnance Weapons and Munitions
	1	**	Nuclear Weapons
	2	**	Chemical and Biological Weapons
	3	**	Conventional Arms and Explosives
	4	**	Small Arms
	5	**	Artillery and Guns
	6	**	Other
	7	**	Software
I			Not Used
J			Not Used
K	0	**	General Purpose Equipment
	1	**	Rail Equipment
	2	**	Generator or Sets
	3	**	General Purpose Maintenance Tooling and Equipment
	4	**	Other Items (includes Medical, Chaplain, Musical, and Personal Equipment, Tents, Tarpaulins, etc.)
	5	**	Federal Supply Group 34 Metalworking Machinery
	6	**	Test, Measurement, and Diagnostic Equipment (includes Calibration Equipment)
	7	**	Software

*ADDENDUM 4 <u>WORK BREAKDOWN STRUCTURE CODES</u> (Codes To Be Used in Field 13)			
POSITION			DESCRIPTION
79	80	81	
L	1	1	All Other Items Not Identified to Above Categories

* See the referenced table entries.

** Report to the second level only.

ADDENDUM 5

WORK PERFORMANCE CATEGORY CODES(Codes To Be Used in Field 14)

Code A—Overhaul. Returning an unserviceable item of equipment to serviceable condition by restoring most or all internal tolerances to “like new” specification. Overhaul is synonymous with “rework” and “rebuild.”

Code B—Progressive Maintenance. A predetermined amount of work that represents a partial overhaul under a program that permits the complete overhaul to be accomplished by means of two or more scheduled work efforts in the maintenance process. Progressive maintenance is synonymous with “cycle maintenance,” “restricted availability,” “preventive servicing,” “recondition,” and “phased” or “incremental maintenance.”

Code C—Conversion. The alteration of the basic characteristics of an item to such an extent as to change its mission, performance, or capability.

Code D—Activation. The process of returning an item from preservation, storage, or inactive status to an active, serviceable status by means of removal from storage and containers, stripping, inspection, servicing, testing, and repair, replacement of components, assemblies, or subassemblies as required.

Code E—Inactivation. The servicing and preservation of an item prior to placement in storage or an inactive status.

Code F—Renovation. The proof and test, evaluation, inspection, and rework of ammunition or ordnance items as required for retaining their desired capability.

Code G—Analytical Inspection. The disassembly, inspection, data gathering, and engineering analysis of an equipment item to compare actual wear characteristics and failure patterns with predicted values. Data collected during analytical inspection is used to validate the adequacy of maintenance planning and execution. Analytical rework is synonymous with the “age exploration analysis” phase of reliability-centered maintenance.

Code H—Modification. A physical change made to an item such that one or more measurable characteristic is altered. Modifications are often made to improve equipment performance, but may also be designed to increase reliability, improve supportability, or enhance safety. Synonymous with “upgrade.”

Code I—Repair. Returning an unserviceable item of equipment to serviceable condition by restoring failed structures or components to acceptable standards. “Acceptable” may mean “restore to ‘like new’ specification,” or it may be less stringent, depending upon the demands of the equipment user.

Code J—Inspection. The examination of an item to reveal information about its physical condition. Inspection results are typically compared with specifications, standards, or the results of other inspections to determine whether the item under inspection is acceptable for use. Inspections are also an important part of engineering investigations that seek to establish cause-and-effect relationships between observed characteristics and external influences.

Code K—Manufacture. The fabrication of a component or end item from raw materials or components. Can include engineering, design, test, and production. Does not include manufacturing that takes place as a part of the normal repair or overhaul processes.

Code L—Reclamation. The authorized processing of end items, assemblies, or subassemblies to obtain parts or components that are to be retained in operating materials and supplies prior to taking disposal action on the end item, assembly, or subassembly. Includes demilitarization actions on items prior to disposal when the demilitarization is incidental to the reclamation.

Code M—Storage. The inspection, preservation, periodic represervation, and maintenance in storage status of weapons, subsystems, and components in the supply system.

Code N—Technical Assistance. The use of qualified depot maintenance personnel to provide technical information, instructions, or guidance, or to perform specific work requiring special skills for operational activities or other maintenance organizations. Includes all demilitarization other than that incidental to reclamation when required to be reported.

Codes O, P, Q, R, and S—Not Used.

Code T—Other Work. Used to complete the reporting of all maintenance workforce costs incurred. Any costs incurred at a depot maintenance activity funded by the Working Capital Fund that do not meet the criteria for reporting under the other work performance categories shall be reported in this category. This includes any maintenance support costs funded by a Defense Working Capital Fund activity. Maintenance support includes centralized programming and planning support, technical and engineering services, preparation of maintenance publications and engineering data, and technical and administrative training.

Code U—Software Support. The sum of all amounts for efforts required to correct software deficiencies to ensure that, during the post-deployment phase of a mission-critical computer system's life, the implemented and fielded software continues to support the system mission. Depot maintenance software support excludes efforts required to update software to operate new hardware configurations or support new mission requirements. Depot maintenance software support addresses both embedded software systems and support equipment software, such as test program sets for automated test equipment.

Code V—Calibration. The comparison of a measurement system or device of unknown accuracy to a system or device of known and greater accuracy. The system or device of greater accuracy is a measurement standard.

Code W—CLS, ICS, PBL, and Similar Contracts. Contractor Logistics Support, Interim Contractor Support, Performance Based Logistics, and similar contracts provide commercial support for weapon systems and equipment that do not have an organic support base established. Contractors provide total logistics support, including depot maintenance for the equipment, end-item, and components. Only those maintenance functions that would be classified as depot level, if the equipment were maintained organically, will be included.

Codes X, Y, and Z—Not Used.

**VOLUME 6A, CHAPTER 15: “DEFENSE WORKING CAPITAL FUND
ACCOUNTING REPORT [ACCOUNTING REPORT (M) 1307]”**

SUMMARY OF MAJOR CHANGES

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated October 2011 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated organization names and office symbols to reflect current designations. Reworded and reformatted chapter for clarity. Revised references and added electronic links.	Update
All	Modified heading instructions and content to reflect current accounting naming conventions for all financial statements affected.	Update
All	Updated reporting line items with the associated USSGL Accounts.	Update
All	Modified the title for Part VI, Capital Program with the current naming convention.	Update
All	Modified the title for Part VII, Inventory Management Report – Supply Management Business Area.	Update
Multiple	Added new reporting requirement for Part V, Recoverable Operating Results. This new requirement reports differences between historical and latest acquisition costs for inventory valuation.	Add
150102.B	Revised FMR reference to the correct chapter.	Update
150203, 150403, 150503	Added “Section Headings” for consistency with other sections and to reflect the current reporting format.	Add
150203.BE	Modified title name for Part II- Changes in Net Position, “Total AOR End of Period.”	Update
150203.BF	Modified title name for Part II- Changes in Net Position, “Invested Capital – End of Period.”	Update
150303.E	Clarifies treatment of bad debt write-offs.	Update
150303.AE	Clarifies the identification of activities compiling reports.	Update

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
150603.K (NOTE)	Modified invalid FMR reference. Information concerning Supply Management Operations was consolidated into Volume 4 Chapter 4 "Inventory and Related Property".	Update
150803.J (NOTE)	Modified to reflect current reporting relationships for the AR(M) 1307.	Update
Figure 15-9	Updated report to reflect current reporting format.	Update
Figure 15-10	Updated DWCF Financial Reporting Activities to reflect current designations.	Update

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CHAPTER 15

DEFENSE WORKING CAPITAL FUND ACCOUNTING REPORT
[ACCOUNTING REPORT (M) 1307]

1501 GENERAL PREPARATION INSTRUCTIONS

150101. Purpose

This chapter identifies the reporting requirements and provides guidance on the Defense Working Capital Fund (DWCF) Accounting Report [Accounting Report (Monthly) 1307] (AR(M) 1307).

150102. General

A. The DWCF AR(M) 1307 consists of three principal statements.

1. Statement of Financial Position. This statement discloses the reporting entity's assets, liabilities, and net position.

2. Statement of Cash Flow. This statement discloses the reporting entity's gross cash receipts and disbursements with an explanation of the changes in cash for the reporting period.

3. Statement of Operations. This statement discloses the results of the reporting entity's operations for the reporting period, including the changes in the entity's net position from the end of the prior reporting period.

* B. An identification of the hierarchy of accounting standards to be followed in preparing the DWCF Accounting Report is contained in Volume 1, Chapter 2, "Federal Accounting Standards Hierarchy".

C. Notes, being an integral part of the principal statements, shall provide additional disclosures necessary to make the principal statements fully informative and not misleading.

D. The DWCF Accounting Report was designed based on fiscal year 2009 Volume 6B, "Form and Content of DoD Audited Financial Statements" of this Regulation. Annually, the Office of the Under Secretary of Defense (Comptroller) (OUSDC) updates Department of Defense (DoD) guidance on the form and content of financial statements. Additionally, the United States Standard General Ledger (USSGL) on which the report is based is updated at least annually and is posted by both the Office of the Deputy Chief Management Officer (DCMO) and the Treasury Financial Management Service (FMS). Accordingly, the DWCF Accounting Report will be revised to maintain comparability.

* E. The Statement of Operations consists of seven parts.

1. Part I, “Statement of Operations” identifies the cumulative year-to-date Net Operating Results (NOR) and the Recoverable NOR, i.e. the amount that must be recovered in the activity’s rates.

2. Part II, “Changes in Net Position” identifies the arithmetic difference between the total assets and total liabilities recognized on a component entity’s balance sheet.

3. Part III, “Cost of Goods Sold,” identifies the components of cost of goods sold.

4. Part IV, “Expenses” identifies detailed expense information.

5. Part V, “Recoverable Operating Results” reconciles Net Operating Results to the operating results used for rate-setting purposes.

6. Part VI, “Capital Program” identifies the approved program, obligations and outlays for the Capital Program, by fiscal year.

7. Part VII, “Inventory Management Report – Supply Management Business Area” reports inventory management data for the Supply Management and Commissary Resale business areas.

* F. The AR(M) 1307 is prepared based on the activity’s proprietary trial balance, except for some items in Part VI, Capital Program and Part VII, Inventory Management Report – Supply Management Business Area, which includes obligation data. The AR(M) 1307 complements the information provided in the Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources, which is prepared using the activity’s budgetary trial balances. Both reports provide information required to manage the DWCF activities.

150103. Reporting Requirement

A. Applicability. The provisions of this chapter apply to all DoD Components operating a DWCF activity. A listing of DWCF financial reporting activities is located in Figure 15-10 of this chapter. Within the attached listing, an asterisk (*) symbol indicates the lowest level for which individual AR(M) 1307 reports are required. DWCF Activities may generate the AR(M) 1307 at different levels in order to manage their business effectively. The levels for which a consolidated AR(M) 1307 report are required are indicated in the attached listing by a pound (#) symbol. Consolidated statements are required for each DoD Component business area.

B. Report Formats. The financial report formats contained herein show the report formats that must be used. The reports shall be prepared or reproduced on letter size paper (8 1/2" x 11"). Reports produced by automated data processing equipment may be substituted for the formats illustrated. The following reports shall be submitted:

Statement of Financial Position

Statement of Cash Flow

Statement of Operations

Part I – Statement of Operations

Part II – Changes in Net Position

Part III – Cost of Goods Sold

Part IV – Expenses

Part V – Recoverable Operating Results

Part VI – Capital Program

Part VII – Inventory Management Report – Supply Management

Business Area

C. Reporting Responsibilities. DoD Components are responsible for the information included in the AR(M) 1307 report and for arranging for the preparation and submission of the report.

D. Frequency of Reports. Unless otherwise specified by the OUSD(C), the AR(M) 1307 reports shall be prepared and submitted monthly. Submit regular reports in accordance with due dates established by the Defense Finance and Accounting Service (DFAS) and consistent with the requirements of the OUSD(C).

E. Distribution.

1. Consolidated DoD Component and Business Area Reports. A copy of consolidated DWCF business area reports will be submitted to the:

a. Director for Revolving Funds, Office of the Deputy Comptroller (Program/Budget), OUSD(C).

b. Office of the Assistant Secretary of the Army (Financial Management and Comptroller), Office of the Assistant Secretary of the Navy (Financial Management and Comptroller), Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller), the Defense Commissary Agency (DeCA) Comptroller, and Other Defense Organizations (i.e. the Defense Logistics Agency Comptroller).

c. Management Command responsible for the oversight of a business area, if requested by a DoD Component.

2. Activity Level Reports. A copy of DWCF activity level reports will be submitted to the:

a. Offices of the Assistant Secretary of the Army, Navy and Air Force (Financial Management and Comptroller), [the Defense Commissary Agency \(DeCA\)](#), and the Comptrollers of [Other Defense Organizations](#), if requested by a DoD Component.

b. Management Command responsible for the oversight of a business area, if requested by a DoD Component.

c. The DWCF activity whose operations are being reported. The report provided to a DWCF activity shall disclose any adjustments made to the financial data submitted by that activity.

*150104. Detail Instructions

A. The instructions to the AR(M) 1307 identify the specific data, and appropriate source of that data, for amounts to be entered into each line of each report.

B. Amounts will be reported in thousands of dollars (\$000) for all parts of the report and related footnotes (that is, \$1,000 = \$1; \$10,000 = \$10; \$100,000 = \$100).

C. Report lines that require identification of the nature of specific amounts will be footnoted, and will be provided with each report.

D. Adjustments for amounts otherwise accounted for or reported at the DoD Component level should be allocated or assigned to the applicable business areas. Similarly, adjustments for amounts otherwise submitted for or reported at the business area level should be allocated or assigned to the applicable individual activities. Such allocations shall be made [by DFAS](#), in accordance with direction received from the DoD Components. However, as a general rule, and where reasonable, all such adjustments should be allocated to individual activities. Adjustments made at the business area level shall be shown separately as a business area adjustment. Adjustments allocated to the individual activity level shall be entered into the activity's installation level accounting records.

E. Policies that, if implemented retroactively, could have a significant adverse impact on the accuracy and integrity of financial reports will not be retroactively implemented without a clearly offsetting benefit or unless directed by an external authority such as Congress.

F. The report is based on current fiscal year data. All references to year in this instruction apply to fiscal year.

G. [Entities are only required to report lines on the AR\(M\) 1307 in which there is activity.](#)

H. This chapter cites USSGL accounts that populate each line. The DoD requires the use of the [DoD Chart of Accounts](#), which is comprised of the USSGL accounts, followed by a four position further breakout.

Figure 15-1: Statement of Financial Position

DEFENSE WORKING CAPITAL FUND STATEMENT OF FINANCIAL POSITION (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)			
ASSETS			
1. Fund Balance with Treasury		\$	XXX
a. Funds Collected – Operating Program	\$	XXX	
b. Funds Collected – Capital Program		XXX	
c. Funds Disbursed – Operating Program		XXX	
d. Funds Disbursed – Capital Program		XXX	
e. Funds Transferred In (Out)		XXX	
f. Funds with Treasury – Operating Program		XXX	
g. Funds with Treasury – Capital Program		XXX	
2. Cash on Hand and Other Monetary Assets			XXX
3. Accounts Receivable, Net			XXX
a. Accounts Receivable, Intragovernmental		XXX	
b. Accounts Receivable, Intragovernmental, Undistributed		XXX	
c. Accounts Receivable, Non-Federal		XXX	
d. Accounts Receivable, Non-Federal, Undistributed		XXX	
4. Advances Paid and Prepayments			XXX
5. Inventories, Net			XXX
a. Inventory Items			
(1) Latest Acquisition Cost (LAC)		XXX	
(2) Moving Average Cost (MAC)		XXX	
b. Allowance for Gains or (Losses) on Inventories		XXX	
6. Work in Process			XXX
7. Operating Materials and Supplies, Net			XXX
8. Stockpile Materials, Net			XXX
9. Property, Plant and Equipment, Net			XXX
a. Structures, Facilities and Leasehold Improvements, Net		XXX	
b. Construction in Progress		XXX	
c. Equipment, Net		XXX	
d. ADP Software, Net		XXX	
e. Software Development in Progress		XXX	
f. Assets Under Capital Lease, Net		XXX	
g. Other Property, Net		XXX	
10. Other Assets, Net			XXX
11. Total Assets		\$	XXX

Figure 15-1: Statement of Financial Position (continued)

LIABILITIES		
12. Liabilities Covered by Budgetary Resources	\$	XXX
a. Accounts Payable, Net		XXX
(1) Accounts Payable, Intragovernmental	XXX	
(2) Accounts Payable, Intragovernmental, Undistributed	XXX	
(3) Accounts Payable, Non-Federal	XXX	
(4) Accounts Payable, Non-Federal, Undistributed	XXX	
b. Accrued Payroll and Benefits		XXX
(1) Salaries and Wages	XXX	
(2) Accrued Annual Leave	XXX	
(3) Severance Pay and Separation Allowance	XXX	
c. Progress Billings		XXX
d. Advances and Prepayments from Others		XXX
e. Debt		XXX
f. Interest Payable		XXX
g. Lease Liabilities		XXX
h. Other Liabilities		XXX
13. Liabilities Not Covered by Budgetary Resources		XXX
14. Total Liabilities		XXX
NET POSITION		
15. Net Position		XXX
a. Unexpended Appropriations	XXX	
b. Accumulated Operating Results (AOR)	XXX	
c. Invested Capital	XXX	
16. Total Liabilities and Net Position		XXX

1502. FORMAT OF THE STATEMENT OF FINANCIAL POSITION (FIGURE 15-1)

150201. General

The Statement of Financial Position, Figure 15-1, discloses the reporting entity's assets, liabilities, and net position.

150202. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

*150203. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading - ASSETS

B. Line 1 – Fund Balance with Treasury. This item represents the aggregate amount of the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. Accounts have been established to separately identify disbursements and collections applicable to the operating program and capital program to comply with United States Code, Title 10, Section 2208, which requires DoD to establish a capital asset sub-account. Report the balance by the specified applicable categories:

C. Line 1.a. – Funds Collected - Operating Program. Report the portion of the balance of the following account as it relates to funds collected for the operating program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Collected - Operating Programs)

D. Line 1.b. – Funds Collected - Capital Program. Report the portion of the balance of the following account as it relates to funds collected for the capital program during the current fiscal year. Note: the amount of collections allocated from the operating program to the capital program will be based on the activities DWCF-funded depreciation expenses and capital surcharge. In all cases, at the end of the Fiscal Year (FY), the amount collected must be sufficient to ensure the ending Fund Balance with Treasury – Capital Program is not negative.

1010 Fund Balance with Treasury (Funds Collected – Capital Program)

E. Line 1.c. – Funds Disbursed - Operating Program. Report the portion of the balance of the following account as it relates to funds disbursed for the operating program during the current fiscal year.

1010 Fund Balance with Treasury (Funds Disbursed - Operating Programs)

F. Line 1.d. – Funds Disbursed - Capital Program. Report the portion of the balance of the following account as it relates to funds disbursed for the Capital Program during the current fiscal year. **This amount shall agree with the amount reported on Part VI, “Total Outlays”, for the current year.**

1010 Fund Balance with Treasury (Funds Disbursed - Capital Program)

G. Line 1.e. – Funds Transferred In (Out). Report the portion of the balance to the following account as it relates to funds transferred in or out during the current fiscal year.

1010 Fund Balance with Treasury (Current Year Transfers)

H. Line 1.f. – Funds with Treasury – Operating Program. Report the beginning fiscal year balance of the operating program account, which is the net of prior year funds collected and funds disbursed related to operating programs.

1010 Fund Balance with Treasury (Funds with Treasury - Operating Programs)

I. Line 1.g. – Funds with Treasury – Capital Program. Report the beginning fiscal year balance of the Capital Program account, which is the net of prior year funds collected and funds disbursed related to capital programs.

1010 Fund Balance with Treasury (Funds with Treasury - Capital Program)

J. Line 2. – Cash on Hand and Other Monetary Assets. Consists of (a) coins, paper currency and readily negotiable instruments such as money orders, checks and bank drafts on hand or in transit for deposit, (b) amounts on demand deposit with banks or other financial institutions, and (c) cash held in imprest funds. Report the balance of the following accounts:

1110 Undeposited Collections
1120 Imprest Funds
1130 Funds Held by the Public
1190 Other Cash
1195 Other Monetary Assets
1200 Foreign Currency
1531 Seized Monetary Instruments
1532 Seized Cash Deposited

K. Line 3. – Accounts Receivable, Net. Accounts receivable are amounts due from others when the right to receive funds accrues. This may result from the performance of services, the delivery of goods, or court-ordered assessment. This is a summary line for lines 3.a.-Accounts Receivable, Intragovernmental through 3.d.-Accounts Receivable, Non-Federal, Undistributed.

L. Line 3.a. – Accounts Receivable, Intragovernmental. Report the amount of accounts receivable in the following accounts that relate to accounts receivable from other Federal Agencies. Note: Allowance for loss accounts are not included in this line because it is expected that all Federal Agencies will pay their bills.

- 1310 Accounts Receivable (except as reported on Line 3.b.)
- 1320 Employment Benefit Contributions Receivable
- 1330 Receivable for Transfers of Currently Invested Balances
- 1335 Expenditure Transfers Receivable
- 1340 Interest Receivable – Not Otherwise Classified
- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified

M. Line 3.b. – Accounts Receivable, Intragovernmental, Undistributed. Report the amount of accounts receivable in the following account related to accounts receivable from other Federal agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Department of the Treasury finance network and the amount of collections recorded by the operating level activities.

- 1310 Accounts Receivable (except as reported on Line 3.a.)

N. Line 3.c. – Accounts Receivable, Non-Federal. Report the amount of accounts receivable in the following accounts that relate to accounts receivable from other than Federal agencies.

- 1310 Accounts Receivable, (except as reported on Line 3.d.)
- 1319 Allowance for Loss on Accounts Receivable
- 1320 Employment Benefit Contributions Receivable
- 1325 Taxes Receivable
- 1329 Allowance for Loss on Taxes Receivable
- 1340 Interest Receivable – Not Otherwise Classified
- 1347 Allowance for Loss on Interest Receivable – Not Otherwise Classified
- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1367 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified
- 1377 Allowance for Loss on Administrative Fees Receivable- Not Otherwise Classified

O. Line 3.d. – Accounts Receivable, Non-Federal, Undistributed. Report the amount of accounts receivable in the following account related to accounts receivable from other than Federal agencies recorded for undistributed collections. Undistributed collections represent the difference between the amount of collections reported to DFAS by the Department of the

Treasury finance network and the amount of collections recorded by the operating level activities.

1310 Accounts Receivable, (except as reported on Line 3.c.)

P. Line 4. – Advances Paid and Prepayments. Report the amount of the following accounts:

1410 Advances and Prepayments

The amount reported shall agree with the amount reported on Line 5, “Advances and Prepayments, End of Period” of the “Supplemental Report on Budget Execution”.

Q. Line 5. – Inventories, Net. Inventory is tangible personal property that is (a) held for sale, (b) in the process of production for sale, (c) to be consumed in the production of goods for sale or in the provision of services for a fee, (d) held for repair or (e) excess, obsolete, and unserviceable. This line is the net sum of line 5.a. “Inventory Items” and line 5.b. “Allowance for Gains or (Losses) on Inventories”.

R. Line 5.a. – Inventory Items. Report the sum of line 5.a.(1). Inventory at Latest Acquisition Cost (LAC) and line 5.a.(2). Inventory at Moving Average Cost (MAC).

S. Line 5.a.(1). – Latest Acquisition Cost (LAC). Report the amount of inventory whose value is maintained at LAC in the following accounts. This amount will be the amount reported on Part III - Cost of Goods Sold, Line 2.i. “Minus: Ending Inventory – LAC”.

1521 Inventory Purchased for Resale
1522 Inventory Held in Reserve for Future Sale
1523 Inventory Held for Repair
1524 Inventory - Excess, Obsolete, and Unserviceable
1525 Inventory - Raw Materials
1527 Inventory - Finished Goods

T. Line 5.a.(2). – Moving Average Cost (MAC). Report the amount of inventory maintained at MAC in the following accounts:

1521 Inventory Purchased for Resale
1522 Inventory Held in Reserve for Future Sale
1523 Inventory Held for Repair
1524 Inventory - Excess, Obsolete, and Unserviceable
1525 Inventory - Raw Materials
1527 Inventory - Finished Goods

U. Line 5.b. – Allowance for Gains or (Losses) on Inventories. Report the balance of the following account as it relates to gains or losses on inventories. A credit balance

will be reported as a negative [deduct] amount; a debit balance will be reported as a positive [add] amount.

1529 Inventory – Allowance

V. Line 6. – Work in Process. Work in process is, for the DWCF, the amount of direct, indirect, and general and administrative costs assigned or otherwise properly allocated to a final cost objective (generally, a job order) prior to completion of that final cost objective in its entirety or in discrete elements. When revenue is recognized on a percent of completion basis, the work in process associated with the revenue recognized should be removed from work in process and recorded as cost of goods sold. This line applies only to DWCF activities that accumulate costs to a final cost objective (generally, a job order) such as those within the Depot Maintenance, [Research and Development \(R&D\)](#) and Base Support business areas. This line does not ordinarily apply to activities that do not accumulate costs to a final cost objective such as the Supply Management business area or DeCA. The balance in the following account shall be reported:

1526 Inventory - Work-in-Process

1529 [Inventory – Allowance](#)

[This amount shall agree with the amount reported on Part III, Line 1.g., “Minus: Ending Work-In-Process”.](#)

W. Line 7. – Operating Materials and Supplies, Net. Operating materials and supplies consist of tangible personal property to be consumed in the course of normal operations. This line can be applicable to any DWCF activity. Report the balance of the following accounts:

1511 Operating Materials and Supplies Held for Use

1512 Operating Materials and Supplies Held in Reserve for Future Use

1513 Operating Materials and Supplies - Excess, Obsolete, and
Unserviceable

1514 Operating Materials and Supplies Held for Repair

1519 Operating Materials and Supplies - Allowance

X. Line 8. – Stockpile Materials, Net. Stockpile materials are strategic and critical materials held due to statutory requirements for use in national defense, conservation, or national emergencies. They are not held with the intent of selling in the ordinary course of business. Report the balance of the following accounts:

1571 Stockpile Materials Held in Reserve

1572 Stockpile Materials Held for Sale

Y. Line 9. – Property, Plant and Equipment, Net. Property, plant and equipment (PP&E) are tangible assets that (1) have an estimated useful life of 2 or more years, (2) are not intended for sale in the ordinary course of business, and (3) are intended to be used or available for use by the entity. The line is [the](#) value of the activity’s real and personal property,

i.e., land, structures and facilities, construction in progress, purchased and self-developed software, equipment and related improvements that **have** been capitalized, net of accumulated depreciation, if any. **Line 9** also includes assets acquired by capital leases and leasehold improvements; and property owned by the reporting entity in the hands of the reporting entity or contractors. This line is the sum of the following Line 9 sub-lines. See [Annex 4 of Volume 4, Chapter 6](#) for additional guidance regarding PP&E.

Z. Line 9.a. – Structures, Facilities and Leasehold Improvements, Net.

Report the balance of the following accounts:

- 1711 Land and Land Rights
- 1712 Improvements to Land
- 1719 Accumulated Depreciation on Improvements to Land
- 1730 Buildings, Improvements, and Renovations
- 1739 Accumulated Depreciation on Buildings, Improvements, and Renovations
- 1740 Other Structures and Facilities
- 1749 Accumulated Depreciation on Other Structures and Facilities
- 1820 Leasehold Improvements
- 1829 Accumulated Amortization on Leasehold Improvements

AA. Line 9.b. – Construction in Progress. Report the balance of the following account:

- 1720 Construction-in-Progress

AB. Line 9.c. – Equipment, Net. Report the balance of the following accounts:

- 1750 Equipment
- 1759 Accumulated Depreciation on Equipment

AC. Line 9.d. – ADP Software, Net. Report the balance of [Automated Data Processing \(ADP\) Software](#) in the following accounts:

- 1830 Internal-Use Software
- 1839 Accumulated Amortization on Internal-Use Software

AD. Line 9.e. – Software Development in Progress. Report the balance of the following account:

- 1832 Internal-Use Software in Development

AE. Line 9.f. – Assets Under Capital Lease, Net. Report the balance of the following accounts:

- 1810 Assets Under Capital Lease
- 1819 Accumulated Depreciation on Assets Under Capital Lease

AF. Line 9.g. – Other Property, [Net](#). Report the balance of the following accounts:

1840 Other Natural Resources
1849 Allowance for Depletion
1890 Other General Property, Plant, and Equipment
[1899 Accumulated Depreciation on Other Property, Plant, and Equipment](#)

AG. Line 10. – Other Assets, [Net](#). Report the balance of the following accounts:

1340 Interest Receivable – [Not Otherwise Classified](#)
[1347 Allowance for Loss on Interest Receivable – Not Otherwise Classified](#)
1350 Loans Receivable
[1359 Allowance for Loss on Loans Receivable](#)
1541 Forfeited Property Held for Sale
1542 Forfeited Property Held for Donation or Use
1549 Forfeited Property – Allowance
[1561 Commodities Held Under Price Support and Stabilization Support Programs](#)
1569 Commodities – Allowance
1591 Other Related Property
1599 Other Related Property - Allowance
[1990 Other Assets](#)

AH. Line 11 – Total Assets. Report the net total of line 1 [through](#) line 10.

AI. [Section Heading - LIABILITIES](#)

AJ. Line 12. – Liabilities Covered by Budgetary Resources. Liabilities incurred which are covered by available budgetary resources. Available budgetary resources include (1) new budget authority, (2) reimbursements and other income, (3) recoveries of unexpired budget authority, and (4) remaining unobligated balances of amounts available at the beginning of the year or transferred in during the year, and [\(5\) assets held, or resources collected on behalf of another which are not yet remitted according to Section 301 of the Quarterly Guidance](#). Report the net total of lines 12.a. through 12.h.

AK. Line 12.a. – Accounts Payable, [Net](#). The amounts owed by a DWCF activity for goods and services from, progress in contract performance made by, and rents due to DoD and other Federal and non-Federal entities. Report the net total of lines [12.a.\(1\) through 12.a.\(4\)](#).

AL. Line 12.a.(1). – Accounts Payable, Intragovernmental. Report the amount of the following accounts that [is](#) owed to Federal entities:

- 2110 Accounts Payable (except as reported on Line 12.a.(2))
- 2120 Disbursements in Transit
- 2140 [Accrued Interest Payable – Not Otherwise Classified](#)
- 2155 Expenditure Transfers Payable

AM. Line 12.a.(2). – Accounts Payable, Intragovernmental, Undistributed. Report the amount of [accounts payable in](#) the following account [that is](#) owed to Federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

- 2110 Accounts Payable (except as reported on Line 12.a.(1))

AN. Line 12.a.(3). – Accounts Payable, Non-Federal. Report the amount of the following accounts that are owed to non-federal entities:

- 2110 Accounts Payable (except as reported on Line 12.a.(4))
- 2120 Disbursements in Transit
- 2140 [Accrued Interest Payable – Not Otherwise Classified](#)

AO. Line 12.a.(4). – Accounts Payable, Non-Federal, Undistributed. Report the amount of [accounts payable in](#) the following account [that is](#) owed to non-federal entities recorded for undistributed disbursements. Undistributed disbursements represent the difference between the amount of disbursements reported to DFAS by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

- 2110 Accounts Payable (except as reported on Line 12.a.(3))

AP. Line 12.b. – Accrued Payroll and Benefits. Report the amount of payroll and benefits payable. Report the net total of lines 12.b.(1) through 12.b.(3).

AQ. Line 12.b.(1). – Salaries and Wages. Report the [portion of the balance as it relates to salaries and wages of the following accounts](#):

- 2210 Accrued Funded Payroll and Leave
- 2213 Employer Contributions and Payroll Taxes Payable

AR. Line 12.b.(2). – Accrued Annual Leave. [DWCF activities are required to fully fund annual leave in their rates. This balance in the account represents the value of employee annual leave that has not yet been taken. Report the portion of accrued annual leave in the following account:](#)

- 2210 Accrued Funded Payroll and Leave

AS. Line 12.b.(3). – Severance Pay and Separation Allowance

2211 Withholdings Payable

2215 Other Post Employment Benefits Due and Payable

2216 Pension Benefits Due and Payable to Beneficiaries

2217 Benefit Premiums Payable to Carriers

2218 Life Insurance Benefits Due and Payable to Beneficiaries

AT. Line 12.c. – Progress Billings. Report the [portion](#) of the balance of the following account as it [relates](#) to progress billings.

2110 Accounts Payable

AU. Line 12.d. – Advances and Prepayments from Others

Report the value of [advances](#) and prepayments received for goods to be delivered or services to be performed in the following account:

2310 Liability for Advances and Prepayments

The amount reported shall agree with the amount reported on line 6, “Unearned Revenue, End of Period” of the “Supplemental Report on Budget Execution”.

AV. Line 12.e. – Debt. This item represents the amount of borrowings from the Treasury, the Federal Financial Bank, or other Federal Agencies. Report the balance of the following accounts as they relate to debt:

2141 Accrued Interest payable - [Debt](#)

2510 Principal Payable to the Bureau of the Public Debt

2520 Principal Payable to the Federal Financing Bank

2590 Other Debt

AW. Line 12.f. – Interest Payable. Report the [portion of the interest payable balance as it relates to other than debt interest in the following account.](#) Exclude amounts already listed on line 12.e.

2140 Accrued Interest Payable – [Not Otherwise Classified](#)

AX. Line 12.g. – Lease Liabilities. This item represents the portion of the liability for capital leases which is covered by budgetary authority. Capital leases and lease purchases entered into must be fully funded in the first year of the lease [in accordance with Office of Management and Budget Circular A-11, Appendix B.](#) Report the balance of the following account:

2940 Capital Lease Liability

AY. Line 12.h. – Other Liabilities. This item represents other liabilities that are not recognized in [other](#) specific categories. Include in this line the total amount due the federal entities for other liabilities covered by budgetary authority that are not included on other lines. Report the balance of the following accounts as they apply to transactions with other Federal and non-Federal entities:

- 2130 Contract Holdbacks
- 2190 Other Liabilities With Related Budgetary Obligations
- [2320 Other Deferred Revenue](#)
- 2400 Liability for [Nonfiduciary](#) Deposit Funds, Clearing Accounts, and Undeposited Collections
- 2610 Actuarial Pension Liability
- 2620 Actuarial Health Insurance Liability
- 2630 Actuarial Life Insurance Liability
- 2650 Actuarial FECA Liability
- 2690 Other Actuarial Liabilities
- [2920 Contingent Liabilities](#)
- [2970 Liability for Capital Transfers to the General Fund of the Treasury](#)
- [2985 Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity](#)

AZ. Line 13. – Liabilities Not Covered by Budgetary Resources. Liabilities incurred which are not covered by available budgetary resources result from the receipt of goods or services or the occurrence of other eligible events for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity. Notwithstanding an expectation that the appropriations will be made, whether they in fact will be made is completely at the discretion of the Congress. Report only the amount of the liability for which an available budgetary resource does not exist. If any such liabilities exist, report the amount and disclose its nature by footnote [if material](#).

- [2110 Accounts Payable](#)
- [2140 Accrued Interest Payable – Not Otherwise Classified](#)
- [2160 Entitlement Benefits Due and Payable](#)
- [2170 Subsidy Payable to the Financing Account](#)
- [2190 Other Liabilities with Related Budgetary Obligations](#)
- [2220 Unfunded Leave](#)
- [2225 Unfunded FECA Liability](#)
- [2290 Other Unfunded Employment Related Liability](#)
- [2320 Other Deferred Revenue](#)
- [2510 Principal Payable to the Bureau of the Public Debt](#)
- [2520 Principal Payable to the Federal Financing Bank](#)
- [2590 Other Debt](#)
- [2610 Actuarial Pension Liability](#)
- [2620 Actuarial Health Insurance Liability](#)
- [2630 Actuarial Life Insurance Liability](#)

2650 Actuarial FECA Liability
2690 Other Actuarial Liabilities
2910 Prior Liens Outstanding on Acquired Collateral
2920 Contingent Liabilities
2940 Capital Lease Liability
2960 Accounts Payable from Canceled Appropriations
2990 Other Liabilities Without Related Budgetary Obligations
2995 Estimated Cleanup Cost Liability

BA. Line 14. – Total Liabilities. Report the total of lines 12 and 13.

BB. Section Heading – NET POSITION

BC. Line 15. – Net Position. The components of net position are classified as follows. Report the net total of lines 15.a. through 15.c.

BD. Line 15.a. – Unexpended Appropriations. This line is equal to the “Equals: Unexpended Appropriations – End of Period” from Statement of Operations, Part II - Changes in Net Position, Line 1.A.(3). Normally DWCF activities will not have unexpended appropriations as they are immediately expended upon receipt to provide budgetary authority.

*BE. Line 15.b. – Accumulated Operating Results (AOR). This line is equal to the “Total AOR End of Period” from Statement of Operations, Part II - Changes in Net Position, Line 1.B.(3).

*BF. Line 15.c. – Invested Capital. This line is equal to the “Invested Capital – End of Period” from Statement of Operations, Part II - Changes in Net Position, Line 1.D.(4).

BG. Line 16. – Total Liabilities and Net Position. Report the total of lines 14 and 15.

The amount reported shall agree with the amount reported on Statement of Financial Position, Line 11, “Total Assets”.

Figure 15-2: Statement of Cash Flow

DEFENSE WORKING CAPITAL FUND STATEMENT OF CASH FLOW (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
CASH FLOWS FROM OPERATIONS:		
1. Net Operating Results (NOR) (Part I, Line 11)	\$	XXX
OPERATING ADJUSTMENTS:		
2. Appropriated Capital Used (-)		(XXX)
3. Decrease (Increase) in Accounts Receivable		XXX
4. Decrease (Increase) in Advances and Prepayments		XXX
5. Decrease (Increase) in Inventories:		XXX
a. Inventory	XXX	
b. Work in Process	XXX	
c. Operating Materials and Supplies, Net	XXX	
d. Stockpile Materials, Net	XXX	
6. Decrease (Increase) in Other Assets		XXX
7. Increase (Decrease) in Accounts Payable		XXX
8. Increase (Decrease) in Accrued Payroll and Benefits		XXX
9. Increase (Decrease) in Other Liabilities		XXX
10. Depreciation and Amortization		XXX
11. Other Adjustments:		XXX
a. Prior Period Adjustments	XXX	
b. Non-Cash Transfers	XXX	
c. Other	XXX	
12. Total Operating Adjustments		XXX
13. NOR Plus/Minus Operating Adjustments		XXX
CAPITAL ADJUSTMENTS:		
14. (Increase) Decrease of Property, Plant and Equipment, Net		XXX

Figure 15-2: Statement of Cash Flow (continued)

APPROPRIATIONS AND CASH TRANSFERS:		
15. Appropriations (Current Warrants)		XXX
16. Transfers of Cash		XXX
a. Transfers In	XXX	
b. Transfers Out	XXX	
17. Total Appropriations and Cash Transfers		XXX
18. Repayments on Loans from the Treasury and the Federal Financing Bank		XXX
19. Net Change In Cash For Accounting Period		XXX
20. Fund Balance, Beginning		XXX
21. Fund Balance, Ending		XXX
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
22. Total Interest Paid		XXX

1503. FORMAT OF THE STATEMENT OF CASH FLOW (FIGURE 15-2)

150301. General

The Statement of Cash Flow, Figure 15-2, discloses the DWCF cash receipts and disbursements with an explanation of the changes in cash or cash equivalents for the reporting period.

150302. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

150303. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading - CASH FLOWS FROM OPERATIONS

B. Line 1 – Net Operating Results (NOR) (Part I, Line 11). This line is equal to the NOR from Part I – Statement of Operations, Line 11.

C. Section Heading - OPERATING ADJUSTMENTS

D. Line 2 – Appropriated Capital Used (-). The amount of appropriated funds expended is a negative adjustment to the cash flow from operations. Report the balance of the following account:

5700 Expended Appropriations

*E. Line 3 – Decrease (Increase) in Receivables. A decrease in accounts receivable adds to, and an increase in accounts receivable reduces, the DWCF cash balance. Decreases due to bad debt write-offs should not be included in the accounts receivable calculation. Report the current year change in the following accounts:

1310 Accounts Receivable
1319 Allowance for Loss on Accounts Receivable
1320 Employment Benefit Contributions Receivable
1325 Taxes Receivable
1329 Allowance for Loss on Taxes Receivable
1330 Receivable for Transfers of Currently Invested Balances
1335 Expenditure Transfers Receivable
1340 Interest Receivable – Not Otherwise Classified
1349 Allowance for Loss on Interest Receivable – Not Otherwise Classified

- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1367 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified
- 1377 Allowance for Loss on Administrative Fees Receivable- Not Otherwise Classified

Report the balance of the preceding September 30, Statement of Financial Position, line 3, “Accounts Receivable, Net”, minus the current balance reported on line 3 of the Statement of Financial Position.

F. Line 4 – Decrease (Increase) in Advances and Prepayments. A decrease in advances and prepayments adds to, and an increase in advances and prepayments reduces, the DWCF cash balance. Report the current year change in the following account:

- 1410 Advances and Prepayments

Report the balance of the preceding September 30th, Statement of Financial Position, line 4, “Advances and Prepayments”, minus the current balance reported on line 4 of the Statement of Financial Position.

G. Line 5 – Decrease (Increase) in Inventories. Net total of the decrease or increase of the four sub-categories of inventory on lines 5.a through 5.d.

H. Line 5.a. – Inventory. A decrease in inventory adds to, and an increase in inventory reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 1521 Inventory Purchased for Resale
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1525 Inventory - Raw Materials
- 1527 Inventory - Finished Goods
- 1529 Inventory – Allowance

Report the balance of the preceding September 30, Statement of Financial Position, line 5.a., “Inventory, Items”, minus the current balance reported on line 5.a. of the Statement of Financial Position.

I. Line 5.b. – Work in Process. A decrease in work in process adds to, and an increase in work in process reduces, the DWCF cash balance. Report the current year change in the following account.

- 1526 Inventory - Work-in-Process

J. Line 5.c. – Operating Materials and Supplies, Net. A decrease in operating materials and supplies adds to, and an increase in operating materials and supplies reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 1511 Operating Materials and Supplies Held for Use
- 1512 Operating Materials and Supplies Held in Reserve for Future Use
- 1513 Operating Materials and Supplies - Excess, Obsolete, and Unserviceable
- 1514 Operating Materials and Supplies Held for Repair
- 1519 Operating Materials and Supplies - Allowance

K. Line 5.d. – Stockpile Materials, Net. A decrease in Stockpile materials adds to, and an increase in Stockpile materials reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 1571 Stockpile Materials Held in Reserve
- 1572 Stockpile Materials Held for Sale

L. Line 6. – Decrease (Increase) in Other Assets. A decrease in other assets adds to, and an increase in other assets reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 1340 Interest Receivable – Not Otherwise Classified
- 1347 Allowance for Loss on Interest Receivable – Not Otherwise Classified
- 1350 Loans Receivable
- 1359 Allowance for Loss on Loans Receivable
- 1541 Forfeited Property Held for Sale
- 1542 Forfeited Property Held for Donation or Use
- 1549 Forfeited Property – Allowance
- 1561 Commodities Held Under Price Support and Stabilization Support Programs
- 1569 Commodities – Allowance
- 1591 Other Related Property
- 1599 Other Related Property - Allowance
- 1990 Other Assets

Report the balance of the preceding September 30th, Statement of Financial Position, line 10, “Other Assets”, minus the current balance reported on line 10 of the Statement of Financial Position.

M. Line 7. – Increase (Decrease) in Accounts Payable. An increase in accounts payable adds to, and a decrease in accounts payable reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 2110 Accounts Payable

- 2120 Disbursements in Transit
- 2140 Accrued Interest Payable – Not Otherwise Classified
- 2155 Expenditure Transfers Payable

Report the balance of the preceding September 30th, Statement of Financial Position, line 12.a., “Accounts Payable, Net”, minus the current balance reported on line 12.a. of the Statement of Financial Position.

N. Line 8. – Increase (Decrease) in Accrued Payroll and Benefits. An increase in accrued payroll and benefits adds to, and a decrease in accrued payroll and benefits reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 2210 Accrued Funded Payroll and Leave
- 2211 Withholdings Payable
- 2213 Employer Contributions and Payroll Taxes Payable
- 2215 Other Post-Employment Benefits Due and Payable
- 2216 Pension Benefits Due and Payable to Beneficiaries
- 2217 Benefit Premiums Payable to Carriers
- 2218 Life Insurance Benefits Due and Payable to Beneficiaries

Report the balance of the preceding September 30th, Statement of Financial Position, line 12.b., “Accrued Payroll and Benefits”, minus the current balance reported on line 12.b. of the Statement of Financial Position.

*O. Line 9. – Increase (Decrease) in Other Liabilities. An increase in other liabilities adds to, and a decrease in other liabilities reduces, the DWCF cash balance. Report the current year change in the following accounts:

- 2110 Accounts Payable
- 2130 Contract Holdbacks
- 2140 Accrued Interest Payable – Not Otherwise Classified
- 2160 Entitlement Benefits Due and Payable
- 2170 Subsidy Payable to the Financing Account
- 2190 Other Liabilities With Related Budgetary Obligations
- 2220 Unfunded Leave
- 2225 Unfunded FECA Liability
- 2290 Other Unfunded Employment Related Liability
- 2310 Liability for Advances and Prepayments
- 2320 Other Deferred Revenue
- 2400 Liability for Nonfiduciary Deposit Funds, Clearing Accounts, and Undeposited Collections
- 2510 Principal Payable to the Bureau of the Public Debt
- 2520 Principal Payable to the Federal Financing Bank
- 2590 Other Debt
- 2610 Actuarial Pension Liability
- 2620 Actuarial Health Insurance Liability

2630	Actuarial Life Insurance Liability
2650	Actuarial FECA Liability
2690	Other Actuarial Liabilities
2910	Prior Liens Outstanding on Acquired Collateral
2920	Contingent Liabilities
2940	Capital Lease Liability
2960	Accounts Payable From Canceled Appropriations
2970	Liability for Capital Transfers to the General Fund of the Treasury
2985	Liability for Non-Entity Assets Not Reported on the Statement of Custodial Activity
2990	Other Liabilities Without Related Budgetary Obligations
2995	Estimated Cleanup Cost Liability

Report the balance of the preceding September 30th, Statement of Financial Position, lines 12.h. “Other Liabilities” and 13 “Liabilities Not Covered by Budgetary Resources”, minus the current balance reported on lines 12.h. and 13 of the Statement of Financial Position.

P. Line 10. – Depreciation and Amortization. The depreciation and amortization for the period are not paid in cash and therefore require a positive adjustment to the net cash flow from operations. Include only the amount in the account associated with items that were funded by the DWCF activity.

6710 Depreciation, Amortization, and Depletion

Q. Line 11. – Other Adjustments. The net of the period’s other non-cash related adjustments from its three subcategories in lines 11.a. through 11.c.

R. Line 11.a. – Prior Period Adjustments. Enter prior period adjustments for the period [that](#) are not cash related transactions.

7400 Prior-Period Adjustments Due to Corrections of Errors
7401 Prior-Period Adjustments Due to Changes in Accounting Principles

S. Line 11.b. – Non-Cash Transfers. Enter transfers in and transfers out for the period which are not cash related transactions.

5720 Financing Sources Transferred In Without Reimbursement
5730 Financing Sources Transferred Out Without Reimbursement

T. Line 11.c. – Other. Enter current period amounts for the [following](#) accounts:

5790 Other Financing Sources

U. Line 12. – Total Operating Adjustments. Sum of lines 2 through 11.

V. Line 13. – NOR Plus/Minus Operating Adjustments. Sum of lines 1 and 12.

W. Section Heading – CAPITAL ADJUSTMENTS. This section adjusts the cash flow for the impact of acquiring and disposing of property, plant and equipment and other assets used in the production of goods and services. Most sales within the DWCF are recorded as revenue and thereby included in line 1 of this statement. However, if an incoming cash flow is not a result of revenue, that cash flow should be identified within this section as either a result of a sale of property, plant and equipment or other cause. [See Annex 4 of Volume 4, Chapter 6 for further guidance.](#)

* X. Line 14. – (Increase) Decrease of Property, Plant and Equipment, Net. The net amounts of cash proceeds received from the sale of surplus real and personal property (i.e., buildings, docks and piers, and equipment) which adds to the DWCF cash balance and the amounts disbursed for acquisitions of plant, property, and equipment which reduces the DWCF cash balance.

1711	Land and Land Rights
1712	Improvements to Land
1719	Accumulated Depreciation on Improvements to Land
1720	Construction-in-Progress
1730	Buildings, Improvements, and Renovations
1739	Accumulated Depreciation on Buildings, Improvements, and Renovations
1740	Other Structures and Facilities
1749	Accumulated Depreciation on Other Structures and Facilities
1750	Equipment
1759	Accumulated Depreciation on Equipment
1810	Assets Under Capital Lease
1819	Accumulated Depreciation on Assets Under Capital Lease
1820	Leasehold Improvements
1829	Accumulated Amortization on Leasehold Improvements
1830	Internal-Use Software
1832	Internal-Use Software in Development
1839	Accumulated Amortization on Internal-Use Software
1840	Other Natural Resources
1849	Allowance for Depletion
1890	Other General Property, Plant, and Equipment
1899	Accumulated Depreciation on Other General Property, Plant, and Equipment

[Report the balance of the preceding September 30, Statement of Financial Position, line 9, “Property, Plant and Equipment, Net”, minus the current balance reported on line 9 of the Statement of Financial Position.](#)

Y. Section Heading - APPROPRIATIONS AND CASH TRANSFERS. This section identifies the impact on cash flow from resources obtained in the form of appropriations from the Congress, or by transferring from or to other reporting entities. Appropriations may, or may not, be distributed to the individual activity level. If appropriations are not distributed, then they may be reported by the DWCF level that is holding those balances or allocated by that DWCF level, for reporting purposes, to the appropriate activity(ies).

Z. Line 15. – Appropriations (Current Warrants). The amount of appropriations received, net of rescissions, [for the current fiscal year](#). Report the balances in the following accounts:

- 3101 Unexpended Appropriations - Appropriations Received
- 3102 Unexpended Appropriations - Transfers-In
- 3103 Unexpended Appropriations - Transfers-Out
- 3106 Unexpended Appropriations – Adjustments
- 3108 Unexpended Appropriations – Prior-Period Adjustments Due to Corrections of Errors
- 3109 Unexpended Appropriations – Prior-Period Adjustments Due to Changes in Accounting Principles

The total of Line 15, “Appropriations (Current Warrants)” shall agree with the total of the amounts reported on line 3.A.1. “Budgetary Authority, Appropriation, Actual” and line 6.B., “Enacted reductions (-) of the Standard Form 133, “Report on Budget Execution and Budgetary Resources”.

AA. Line 16. – Transfers of Cash. The net amounts of cash transferred to and from all Federal sources, except the Department of the Treasury. This line is the sum of the [two sub categories in lines 16.a. and 16.b.](#)

AB. Line 16.a. – Transfers In. The amount of cash transferred from all Federal sources, except the Department of the Treasury. Report cash transfers in from other [Federal sources](#) as an increase. The amounts to be reported are those [related](#) solely to [transferred-in](#) cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line.

[5755](#) Nonexpenditure Financing Sources - Transfers-In - [Other](#)

[This amount shall agree with the amount reported on Part II, line 1.D.\(2\)b. “Plus: Transfers In of Cash”.](#)

AC. Line 16.b. – Transfers Out. The amounts of cash transferred to all Federal agencies, except the Department of the Treasury. Report cash transfers out to other Federal sources as a reduction. The amounts to be reported are those [related](#) solely to [transferred-out](#) cash balances. A transfer of cash as a result of work performed (reimbursable sales) shall not be reported on this line.

5765 Nonexpenditure Financing Sources - Transfers-Out - Other

This amount shall agree with the opposite amount reported on Part II, line 1.D.(2)c. "Minus: Transfers Out of Cash".

AD. Line 17. – Total Appropriations and Cash Transfers. The net total of lines 15 and 16.

*AE. Line 18. – Repayments on Loans from the Treasury and the Federal Financing Bank. This item represents the amounts disbursed to liquidate loans from the Department of the Treasury, the Federal Financing Bank, or other Federal Agencies. This line applies only to the Military Sealift Command (MSC).

2510 Principal Payable to the Bureau of the Public Debt

2520 Principal Payable to the Federal Financing Bank

AF. Line 19. – Net Change in Cash For Accounting Period. The net total of lines 13, 14, 17 and 18.

AG. Line 20. – Fund Balance, Beginning. The sum total of the following account balances at the beginning of the fiscal year. Undistributed amounts will be reported at the lowest organizational level to which they can be identified.

1010 Fund Balance with Treasury

1110 Undeposited Collections

1120 Imprest Funds

1130 Funds Held by the Public

1190 Other Cash

1195 Other Monetary Assets

1200 Foreign Currency

1531 Seized Monetary Instruments

1532 Seized Cash Deposited

Report the balance of the preceding September 30th, Statement of Cash Flows, line 21., "Fund Balance, Ending". This amount will not change during the fiscal year.

AH. Line 21. – Fund Balance, Ending. Net total of lines 19 and 20. The amounts will equal the sum of amounts reported on the Statement of Financial Position for line 1, "Fund Balance with Treasury", and line 2, "Cash on Hand and Other Monetary Assets."

AI. Section Heading – SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION. Report additional information related to the statement of cash flow.

AJ. Line 22. – Total Interest Paid. Report the current year change to the following accounts:

- 2140 Accrued Interest Payable – Not Otherwise Classified
- 2141 Accrued Interest Payable – Debt
- 6310 Interest Expense on Borrowings from Bureau of Public Debt or
Federal Financing Bank (if used by the Military Sealift Command)
- 6330 Other Interest Expenses

Figure 15-3: Statement of Operations, Part I – Statement of Operations

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART I – STATEMENT OF OPERATIONS (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
Revenues and Financing Sources:		
1. Appropriated Capital Used	\$	XXX
2. Revenue from Sales of Goods and Services		XXX
a. Gross Revenue from Sales	\$	XXX
b. Minus: Credits Allowed on Sales		XXX
3. Other Revenue and Financing Sources		XXX
4. Total Revenue and Financing Sources		XXX
Expenses:		
5. Program or Operating Expenses (Supply and Service Activities)		XXX
6. Cost of Goods and Services Sold		XXX
7. Other Losses		XXX
8. Total Expenses		XXX
NET OPERATING RESULTS:		
9. Revenue Less Cost Incurred Before Extraordinary Items		XXX
10. Plus (Minus) Extraordinary Items		XXX
11. Net Operating Results (NOR)		XXX
Net Operating Results for Rate Purposes:		
12. Plus (Minus) Deferred Operating Results and Depreciation (Part V)		XXX
13. Recoverable Net Operating Results	\$	XXX

1504. FORMAT OF THE STATEMENT OF OPERATIONS: PART I - STATEMENT OF OPERATIONS (FIGURE 15-3)

150401. General

Part I – Statement of Operations provides data on current operating results by DWCF business areas.

150402. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

*150403. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading – REVENUES AND FINANCING SOURCES

B. Line 1. – Appropriated Capital Used. Appropriations, primarily for War Reserve Material and Commissary Operations, may be provided directly to the DWCF. USSGL account 5700, Expended Appropriations is used to record an amount equal to accrued expenses (versus outlays) of appropriated funds provided directly to the Fund. The purpose of the account is to match current period expenses to the appropriated funds used to finance those expenses. The amounts to be recorded in account 5700 shall be equal to the amount of program expenses recorded in the 6100 series of accounts but shall not include any expenses applicable to revenue accounts other than account 5700. In other words, expenses incurred against an appropriation made directly available to the DWCF should be recorded separately from expenses incurred against ordinary DWCF reimbursable financing. Volume 4, Chapter 17 contains additional information on USSGL account 5700. Report the balance in the following account:

5700 Expended Appropriations

C. Line 2. – Revenue from Sales of Goods and Services. Report the net total of sub-lines 2.a. and 2.b.

D. Line 2.a. – Gross Revenue from Sales. Report the balances in the following accounts:

5100 Revenue from Goods Sold

5200 Revenue from Services Provided

E. Line 2.b. – Minus: Credits Allowed on Sales. Reporting activities within the Supply Management business area shall report the dollar amount of credits allowed on

amounts due (accounts receivable) as a result of sales or Depot Level Repairable (DLR) exchanges. Report the balances in the following accounts:

- 5109 Contra Revenue for Goods Sold
- 5209 Contra Revenue for Services Provided

F. Line 3. - Other Revenue and Financing Sources. Report revenues and financing sources not reported on lines 1 or 2. Include cash donations. Identify the nature of each miscellaneous gain. Report the total recorded in the following accounts:

- 5310 Interest Revenue – Other
- 5319 Contra Revenue for Interest Revenue - Other
- 5320 Penalties and Fines Revenue
- 5324 Contra Revenue for Penalties and Fines
- 5325 Administrative Fees Revenue
- 5329 Contra Revenue for Administrative Fees
- 5400 Benefit Program Revenue
- 5409 Contra Revenue for Benefit Program Revenue
- 5500 Insurance and Guarantee Premium Revenue
- 5509 Contra Revenue for Insurance and Guarantee Premium Revenue
- 5600 Donated Revenue - Financial Resources
- 5609 Contra Revenue for Donations - Financial Resources
- 5610 Donated Revenue - Nonfinancial Resources
- 5619 Contra Donated Revenue - Nonfinancial Resources
- 5640 Forfeiture Revenue – Cash and Cash Equivalents
- 5649 Contra Forfeiture Revenue – Cash and Cash Equivalents
- 5650 Forfeiture Revenue – Forfeitures of Property
- 5659 Contra Forfeiture Revenue – Forfeitures of Property
- 5740 Appropriated Earmarked Receipts Transferred In
- 5745 Appropriated Earmarked Receipts Transferred Out
- 5750 Expenditure Financing Sources - Transfers-In
- 5755 Non-Expenditure Financing Sources – Transfers In – Other
- 5760 Expenditure Financing Sources - Transfers-Out
- 5765 Non-Expenditure Financing Sources – Transfers Out – Other
- 5766 Nonexpenditure Financing Sources – Transfers-Out – Capital Transfers
- 5775 Nonbudgetary Financing Sources Transferred In
- 5776 Nonbudgetary Financing Sources Transferred Out
- 5780 Imputed Financing Sources
- 5790 Other Financing Sources
- 5791 Adjustment to Financing Sources – Downward Reestimate or Negative Subsidy
- 5792 Financing Sources To Be Transferred Out – Contingent Liability
- 5795 Seigniorage
- 5900 Other Revenue
- 5909 Contra Revenue for Other Revenue

- 5993 Offset to Non-Entity Collections – Statement of Changes in Net Position
- 5994 Offset to Non-Entity Accrued Collections – Statement of Changes in Net Position
- 7110 Gains on Disposition of Assets – Other
- 7180 Unrealized Gains
- 7190 Other Gains

G. Line 4. – Total Revenue and Financing Sources. Report the total of lines 1 through 3. Revenue should equal net sales plus any other reimbursable revenue and financing source.

H. Section Heading – EXPENSES

I. Line 5. – Program or Operating Expenses (Supply and Service Activities). This line is a summary of expenses for the current period. It will equal the sum of Part IV – Expenses, lines A through J, minus Part III, line 1.F. “Plus: Operating Expenses” for Supply and Service Activities.

J. Line 6. – Cost of Goods and Services Sold. Report the total of Part III - Cost of Goods Sold, lines 1.i. “Equals: Cost of Goods and Services Sold” and “2.o. Equals: Cost of Goods Sold from Inventory” (for Service and Supply Business Areas).

K. Line 7. – Other Losses. Amount reported on line K “Other Losses” of Part IV - Expenses.

L. Line 8. – Total Expenses. Sum of lines 5 through 7.

M. Section Heading – NET OPERATING RESULTS

N. Line 9. – Revenue Less Cost Incurred Before Extraordinary Items. The net amount of line 4 less line 8.

O. Line 10. – Plus (Minus) Extraordinary Items. Extraordinary items are both unusual in nature and infrequent in occurrence. Identify, as a footnote, the nature of each extraordinary gain or loss. Report the balance in the following account:

7300 Extraordinary Items

P. Line 11. – Net Operating Results (NOR). The sum of line 9 plus (or minus) line 10.

Q. Section Heading – NET OPERATING RESULTS FOR RATE PURPOSES

R. Line 12. – Plus (Minus) [Deferred Operating Results and Depreciation \(Part V\)](#). Report the sum of the amounts shown on lines 2 and 3 of Part V - Recoverable Operating Results. Amount will include the total deferred operating results and depreciation on non-DWCF acquired plant, property and equipment.

S. Line 13. – Recoverable Net Operating Results. The sum of [line 11](#) plus (or minus) line 12.

Figure 15-4: Statement of Operations, Part II – Changes in Net Position

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART II-CHANGES IN NET POSITION			
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. Changes in Net Position			
A. Unexpended Appropriations			
(1) Appropriations Available – Beginning of Year	\$	XXX	
(2) Plus or Minus: Changes in Appropriation Balance		XXX	
(3) Equals: Unexpended Appropriations – End of Period			\$ XXX
B. Accumulated Operating Results (AOR)			
(1) Recoverable AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Recoverable AOR End of Period		XXX	
(2) Deferred AOR			
a. AOR Beginning of Year (Unadjusted)		XXX	
b. Plus or Minus: Prior Period Adjustments		XXX	
c. Equals: AOR Beginning of Year (Adjusted)		XXX	
d. Plus or Minus: Net Operating Results		XXX	
e. Equals: Recoverable AOR End of Period		XXX	
(3) Total AOR End of Period			XXX
C. Operational Equity Position – End of Period			\$ XXX
D. Invested Capital			
(1) Assets Capitalized			
a. Assets Capitalized – Beginning of Period		XXX	
b. Plus: Transfers In of Property		XXX	
c. Minus: Transfers Out of Property		XXX	
d. Minus: Depreciation, Non-DWCF Acquired PP&E		XXX	
e. Equals: Assets Capitalized – End of Period		XXX	

Figure 15-4: Statement of Operations, Part II – Changes in Net Position (continued)

(2) Fund (Cash) Assets		
a. Fund (Cash) Assets – Beginning of Period	XXX	
b. Plus: Transfers In of Cash	XXX	
c. Minus: Transfers Out of Cash	XXX	
d. Equals: Fund (Cash) Assets – End of Period	XXX	
(3) Liabilities Assumed		
a. Liabilities Assumed – Beginning of Period	XXX	
b. Plus: Transfers In of Liabilities	XXX	
c. Minus: Transfers Out of Liabilities	XXX	
d. Equals: Liabilities Assumed – End of Period	XXX	
(4) Equals: Invested Capital – End of Period		XXX
2. Net Position – End of Period		XXX

1505. FORMAT OF THE STATEMENT OF OPERATIONS: PART II - CHANGES IN NET POSITION (FIGURE 15-4)

150501. General

Part II – Changes in Net Position, Figure 15-4, provides data on the current equity position of the DWCF.

150502. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

*150503. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Section Heading – Changes in Net Position

B. Section Heading – Unexpended Appropriations

C. Line 1.A.(1). – Appropriations Available-Beginning of Year. Report the balance of appropriations available at the end of the preceding fiscal year (line 1.A.(3) on September 30 of the preceding fiscal year). The amount reported will not change during the fiscal year. The following account should be used:

3100 Unexpended Appropriations - Cumulative

D. Line 1.A.(2). – Plus or Minus: Changes in Appropriation Balance. This is equal to the difference between the beginning of the fiscal year balance and the balance as of the end of the reporting period. The amount should be equal to the net sum of the following accounts:

3101 Unexpended Appropriations - Appropriations Received

3102 Unexpended Appropriations - Transfers-In

3103 Unexpended Appropriations - Transfers-Out

3106 Unexpended Appropriations - Adjustments

3107 Unexpended Appropriations - Used

3108 Unexpended Appropriations - Prior-Period Adjustments Due to Corrections of Errors

3109 Unexpended Appropriations - Prior-Period Adjustments Due to Changes in Accounting Principles

E. Line 1.A.(3). – Equals: Unexpended Appropriations – End of Period. Report the net total of lines 1.A.(1) and 1.A.(2). The amount reported should agree with the

amount reported on line 15.a “Unexpended Appropriations” of the Statement of Financial Position.

F. Section Heading – Accumulated Operating Results (AOR)

G. Section Heading – Recoverable AOR

H. Line 1.B.(1).a. – AOR Beginning of Year (Unadjusted). Report the balance of recoverable AOR available at the end of the preceding fiscal year (line 1.B.(1).e. on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount of recoverable AOR contained in the following account:

3310 Cumulative Results of Operations

I. Line 1.B.(1).b. – Plus or Minus: Prior Period Adjustments. A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments related to recoverable AOR in the following accounts:

7400 Prior-Period Adjustments Due to Corrections of Errors

7401 Prior-Period Adjustments Due to Changes in Accounting Principles

J. Line 1.B.(1).c. – Equals: AOR Beginning of Year (Adjusted). Report the net total of line 1.B.(1).a plus or minus, as applicable, line 1.B.(1).b.

K. Line 1.B.(1).d. – Plus or Minus: Net Operating Results. Report the amount shown on line 13 “Recoverable Net Operating Results”, of Part I – Statement of Operations.

L. Line 1.B.(1).e. – Equals: Recoverable AOR End of Period. Report the net total of lines 1.B.(1).c and 1.B.(1).d.

M. Section Heading – Deferred AOR

N. Line 1.B.(2).a. – AOR Beginning of Year (Unadjusted). Report the balance of deferred AOR available at the end of the preceding fiscal year (line 1.B.(2).e on September 30 of the preceding fiscal year.) This amount will not change during the fiscal year. Report the amount of deferred AOR contained in the following account:

3310 Cumulative Results of Operations

O. Line 1.B.(2).b. – Plus or Minus: Prior Period Adjustments. A credit balance is reported as a plus; a debit balance is reported as a negative. Report prior period adjustments related to deferred AOR recorded in the following accounts:

7400 Prior-Period Adjustments Due to Corrections of Errors

7401 Prior-Period Adjustments Due to Changes in Accounting Principles

P. Line 1.B.(2).c. – Equals: AOR Beginning of Year (Adjusted). Report the net total of line 1.B.(2).a plus or minus, as applicable, line 1.B.(2).b.

Q. Line 1.B.(2).d. – Plus or Minus: Net Operating Results. Report the opposite of the amount shown on Part V, Recoverable Operating Results, line 2, “Deferred Operating Results (Gain/Loss) Net”.

R. Line 1.B.(2).e. – Equals: Deferred AOR End of Period. Report the net total of lines 1.B.(2).c. and 1.B.(2).d.

S. Line 1.B.(3). – Total AOR End of Period. Report the net total of lines 1.B.(1).e. and 1.B.(2).e.

T. Line 1.C. – Operational Equity Position – End of Period. Report the net total of lines 1.A.(3). and 1.B.(3).

U. Section Heading – Invested Capital

V. Section Heading – Assets Capitalized

W. Line 1.D.(1).a. – Assets Capitalized – Beginning of Period. Report the portion of assets capitalized available at the end of the preceding fiscal year (line 1.D.(1).e on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount related to the asset capitalization program contained in the following account:

3310 Cumulative Results of Operations

X. Line 1.D.(1).b. – Plus: Transfers In of Property. Report the value of non-cash capital assets received without reimbursement. Report the portion related to non-cash capital transfers in the following account:

5720 Financing Sources Transferred In Without Reimbursement

Y. Line 1.D.(1).c. – Minus: Transfers Out of Property. Report the value of non-cash capital assets transferred out without reimbursement. Report the amounts related to non-cash capital transfers out in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

Z. Line 1.D.(1).d. – Minus: Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation expense recorded for non-DWCF acquired PP&E from Part IV – Expenses, line I “Depreciation, Non-DWCF Acquired PP&E”, plus gains and losses. This amount must be disclosed in a footnote.

AA. Line 1.D.(1).e. – Equals: Assets Capitalized – End of Period. Report the net total of lines 1.D.(1).a through 1.D.(1).d.

AB. Section Heading – Fund (Cash) Assets

AC. Line 1.D.(2).a. – Fund (Cash) Assets – Beginning of Period. Report the portion of fund (cash) assets available at the end of the preceding fiscal year (line 1.D.(2).d on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount related to the asset capitalization program contained in the following account:

3310 Cumulative Results of Operations

AD. Line 1.D.(2).b. – Plus: Transfers In of Cash. Report the value of cash assets received without reimbursement. Report the amounts related to cash transfers-in in the following accounts:

5755 Nonexpenditure Financing Sources - Transfers-In - Other

AE. Line 1.D.(2).c. – Minus: Transfers Out of Cash. Report the value of cash assets transferred out without reimbursement. Report the amounts related to cash transfers out in the following accounts:

5730 Financing Sources Transferred Out Without Reimbursement

5765 Nonexpenditure Financing Sources - Transfers-Out - Other

AF. Line 1.D.(2).d. – Equals: Fund (Cash) Assets – End of Period. Report the net total of lines 1.D.(2).a through 1.D.(2).c.

AG. Section Heading – Liabilities Assumed

AH. Line 1.D.(3).a. – Liabilities Assumed – Beginning of Period. Report the portion of liabilities assumed at the end of the preceding fiscal year (line 1.D.(3).d on September 30 of the preceding fiscal year). This amount will not change during the fiscal year. Report the amount related to the liabilities assumed in the following account:

3310 Cumulative Results of Operations

AI. Line 1.D.(3).b. – Plus: Transfers In of Liabilities. Report the value of liabilities transferred in for the following account:

5720 Financing Sources Transferred In Without Reimbursement

AJ. Line 1.D.(3).c. – Minus: Transfers Out of Liabilities. Report the value of liabilities transferred out in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

AK. Line 1.D.(3).d. – Equals: Liabilities Assumed – End of Period. Report the **net** total of lines 1.D.(3).a through 1.D.(3).c.

AL. Line 1.D.(4). – Equals: Invested Capital – End of Period. Report the total of lines 1.D.(1).e., 1.D.(2).d. and 1.D.(3).d.

AM. Line 2. - **Net Position** – End of Period. Report the total of lines 1.C and 1.D.(4).

Figure 15-5: Statement of Operations, Part III – Cost of Goods Sold

DEFENSE WORKING CAPITAL FUND			
STATEMENT OF OPERATIONS: PART III-COST OF GOODS SOLD			
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)			
MONTH ENDING _____, 20XX			
(\$ in thousands)			
1. Cost of Goods and Services Sold:			
a. Beginning Work-in-Process		\$	XXX
b. Plus/Minus: Prior Period Adjustments to Work-in-Process			XXX
c. Equals: Adjusted Beginning Work-in-Process			XXX
d. Minus: Transfers Out of Work-in-Process			XXX
e. Plus: Transfers In of Work-in-Process			XXX
f. Plus: Operating Expenses			XXX
g. Minus: Ending Work-in-Process			XXX
h. Minus: Work for Activity Retention			XXX
i. Equals: Cost of Goods and Services Sold		\$	XXX
2. Cost of Goods Sold from Inventory:			
a. Beginning Inventory-LAC			XXX
b. Plus/Minus: Prior Period Adjustments to LAC Inventory			XXX
c. Equals: Adjusted Beginning Inventory-LAC			XXX
d. Minus: Beginning Allowance for Unrealized Holding Gains (Losses)			XXX
e. Plus: Purchases at Cost			XXX
f. Plus: Customer Returns-Credit Given			XXX
g. Plus: DLR Exchange Credits			XXX
h. Minus: Inventory Losses (Gains) Realized			XXX
i. Minus: Ending Inventory-LAC			XXX
j. Plus: Ending Allowance for Unrealized Holding Gains (Losses)			XXX
k. Minus: Transfers Out of Inventory at LAC			XXX
l. Plus: Transfers In of Inventory at LAC			XXX
m. Equals: Cost of Goods Sold at LAC			XXX
n. Plus: Cost of Goods Sold at MAC			XXX
o. Equals: Cost of Goods Sold from Inventory			XXX

1506. FORMAT OF THE STATEMENT OF OPERATIONS: PART III - COST OF GOODS SOLD (FIGURE 15-5)

150601. General

Part III – Cost of Goods Sold, Figure 15-5, reflects all costs, including gains and losses, applicable to the production of goods and services sold to customers during the reporting period. The total of line 1.i., “Equals Cost of Goods & Services Sold”, or 2.o., “Equals: Cost of Goods Sold from Inventory” must agree with the amount shown on Part I -Statement of Operations, line 6, “Cost of Goods and Services Sold”.

150602. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

150603. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Line 1 – Cost of Goods and Services Sold. This line is to be used by all WIP business areas. The Supply Management and Commissary Resale business areas shall use line 2 of this part to compute its cost of goods sold. Service business activities do not produce goods for sale and their operating expenses will be reported on Part I – Statement of Operations, line 6, “Cost of Goods and Services Sold”.

B. Line 1.a. – Beginning Work-in-Process. Enter the total of the balances in the following account at the end of the preceding reporting period. This amount will not change during the fiscal year, and will be the same as the amount on line 1.g, “Ending Work-in-Process” from the previous year’s September 30 report:

1526 Inventory - Work-in-Process

C. Line 1.b. – Plus/Minus: Prior Period Adjustments to Work-in-Process. Report the amount of increase or decrease to Inventory-Work-in-Process related to a prior period adjustment included in the following account:

7400 Prior-Period Adjustments Due to Corrections of Errors
7401 Prior-Period Adjustments Due to Changes in Accounting Principles

D. Line 1.c. - Equals: Adjusted Beginning Work-in-Process. Report the net total of lines 1.a. and 1.b.

E. Line 1.d. - Minus: Transfers Out of Work-in-Process. Report the amount of Work-in-Process transferred out without reimbursement to another activity included in the following account:

5730 Financing Sources Transferred Out Without Reimbursement

F. Line 1.e. – Plus: Transfers In of Work-in-Process. Report the amount of Work-in-Process transferred in without reimbursement from another activity included in the following account:

5720 Financing Sources Transferred In Without Reimbursement

G. Line 1.f. – Plus: Operating Expenses. Enter the total of the amounts reported on Part IV, “Expenses”, lines A. through I.

H. Line 1.g. – Minus: Ending Work-in-Process. Enter the total of the balance in the following account as of the end of the current reporting period:

1526 Inventory – Work-in-Process

I. Line 1.h. – Minus: Work for Activity Retention. Report the value of assets developed or manufactured for use and retention by the performing business area activity. Enter the balance in the following accounts:

6500 Cost of Goods Sold

J. Line 1.i. Equals: Cost of Goods and Services Sold. Report the net total of lines 1.c. through 1.h.

K. Line 2. – Cost of Goods Sold from Inventory. This category of costs is reported only by the Supply Management and Commissary Resale Business Areas.

*NOTE: The Statement of Federal Financial Accounting Standards Number 3, “Accounting for Inventory and Related Property” sets forth the accounting principles that shall be followed by Federal Government entities when accounting for and reporting inventory and related property. An illustration of the DoD implementation of those principles is contained in Volume 4 Chapter 4, “Inventory and Related Property” of this Regulation (for DoD Components recording inventory at its latest invoice price). The referenced illustrations demonstrate the application of inventory related accounts and must be read to more fully understand the reporting requirements contained in section 2 of Part III - Cost of Goods Sold.

L. Line 2.a – Beginning Inventory – LAC. Report the balance as shown on line 2.i “Minus: Ending Inventory - LAC” on September 30 of the preceding fiscal year, as this amount will not change during the fiscal year. LAC is “Latest Acquisition Cost.”

1521 Inventory Purchased for Resale

- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory – Excess, Obsolete, and Unserviceable
- 1525 Inventory – Raw Materials
- 1527 Inventory – Finished Goods

M. Line 2.b. – Plus/Minus: Prior Period Adjustments to LAC Inventory. Report the portion of the amount from the following account as it relates to LAC inventory adjustments:

- 7400 Prior-Period Adjustments Due to Corrections of Errors
- 7401 Prior-Period Adjustments Due to Changes in Accounting Principle

N. Line 2.c. – Equals: Adjusted Beginning Inventory-LAC. Report the net total of lines 2.a and 2.b.

O. Line 2.d. – Minus: Beginning Allowance for Unrealized Holding Gains (Losses). Report the balance as shown on line 2.j. “Plus: Ending Allowance for Unrealized Holding Gains/Losses” on September 30 of the preceding fiscal year, as this amount will not change during the fiscal year. Holding gains (or losses) are recognized in the valuation of inventory. Holding gains or losses may be unrealized or realized. “Unrealized” refers to any gain or loss associated with inventory still held by the entity. “Realization” of the holding gain or loss occurs only when an item of inventory is sold or otherwise leaves the supply management stocking point.

P. Line 2.e. – Plus: Purchases at Cost. Report amounts paid or payable for all inventory purchases during the reporting period in the following account:

- 1529 Inventory Allowance (Purchased at Cost)

Q. Line 2.f. – Plus: Customer Returns – Credit Given. Report amounts of credit given on material returns in the following account:

- 1529 Inventory Allowance (Customer Returns-Credit Granted)

R. Line 2.g. – Plus: DLR Exchange Credits. Report the amounts of credits given on DLR exchanges in the following account:

- 1529 Inventory Allowance (DLR Exchange Credit)

S. Line 2.h. – Minus: Inventory Losses (Gains) Realized. The realization of most inventory gains (and losses) are recognized through reduction of the unrealized holding gains/losses accounts as a result of sales; that is, those gains and losses are realized when inventory items are sold and are recognized in the cost of good sold. However, decreases in inventory occurring as a result of disposal and events other than sale also result in a reduction of the unrealized holding gains/losses accounts. As those inventory decreases are not the result of

sales, they should not affect the cost of goods sold. Therefore, the value of those losses shall be removed from the cost of goods sold and reported on [Part IV – Expenses, line K.4, “Net Other Inventory \(Gains\) Losses”](#).

7210 Losses on Disposition of Assets – Other
7290 Other Losses

T. Line 2.i. – Minus: Ending Inventory – LAC. Report the end of period inventory value of the following accounts:

1521 Inventory Purchased for Resale
1522 Inventory Held in Reserve for Future Sale
1523 Inventory Held for Repair
1524 Inventory – Excess, Obsolete, and Unserviceable
1525 Inventory – Raw Materials
1527 Inventory – Finished Goods

U. Line 2.j. – Plus: Ending Allowance for Unrealized Holding Gains (Losses). Report the total of balances in the following account:

1529 [Inventory – Allowance](#)

V. Line 2.k. – Minus: Transfers Out of Inventory at LAC. Report the portion of the [following](#) account [that](#) relates to inventory maintained at LAC, which was transferred out of the activity.

5730 Financing Sources Transferred Out Without Reimbursement

W. Line 2.l. – Plus: Transfers In of Inventory at LAC. Report the portion of the [following](#) account [that](#) relates to inventory maintained at LAC, which was transferred in to the activity.

5720 Financing Sources Transferred In Without Reimbursement

X. Line 2.m. – Equals: Cost of Goods Sold at LAC. Report the net total of lines 2.c. through line 2.l.

Y. Line 2.n. – Plus: Cost of Goods Sold at MAC. Report the amount of the following account as was reported from activities maintaining inventory at MAC value.

[6500](#) Cost of Goods Sold

Z. Line 2.o. – Equals: Cost of Goods Sold from Inventory. Report the net total of lines 2.m. and 2.n.

Figure 15-6: Statement of Operations, Part IV – Expenses

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART IV-EXPENSES (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)		
	(\$000)	(\$000)
A. Personnel Services and Benefits - Civilian		XXX
1. Personal Compensation	XXX	
2. Annual Leave	XXX	
3. Personnel Benefits	XXX	
4. Benefits for Former Personnel	XXX	
B. Travel and Transportation		XXX
1. Travel and Transportation of People	XXX	
2. Transportation of Things	XXX	
C. Rents, Communications and Utilities		XXX
1. Rents, Communications and Utilities	XXX	
2. Printing and Reproduction	XXX	
D. Contractual Services		XXX
1. Military Personnel Services	XXX	
2. Purchased Services	XXX	
E. Supplies, Materials and Other Non-Capitalized Assets		XXX
1. Supplies and Materials	XXX	
2. Equipment	XXX	
F. Grants and Fixed Charges		XXX
1. Grants and Contributions	XXX	
2. Insurance Claims and Indemnifications	XXX	
3. Other Interest Expenses	XXX	
G. Other Expenses		XXX
H. Depreciation		XXX
1. Depreciation and Equipment	XXX	
2. Depreciation of Real Property	XXX	
3. Amortization of Leasehold Improvements and Other Intangible Assets	XXX	

Figure 15-6: Statement of Operations, Part IV – Expenses (continued)

I. Depreciation – Non-DWCF Acquired PP&E		XXX
1. Non-Recoverable Depreciation of Equipment	XXX	
2. Non-Recoverable Depreciation of Real Property	XXX	
3. Non-Recoverable Amortization	XXX	
J. Bad Debts		XXX
K. Other Losses and Gains		XXX
1. Losses on Disposition of Assets	XXX	
2. Net (Gains) Losses on Inventory Shrinkage/Deterioration	XXX	
3. Net (Gains) Losses on Inventory Excess/Obsolescence/ Spoilage	XXX	
4. Net Other Inventory (Gains) Losses	XXX	
5. Other Miscellaneous Losses	XXX	
Expended Appropriation	XXX	
Direct Labor Hours – Regular	XXX	
Direct Labor Hours – Overtime	XXX	
Direct Labor Hours – Total	XXX	

1507. FORMAT OF THE STATEMENT OF OPERATIONS: PART IV - EXPENSES
(FIGURE 15-6)

150701. General

Part IV – Expenses, Figure 15-6, reflects all expenses incurred during the reporting period. The total of lines A thru I should agree, except for rounding, with the amount shown on Part I – Statement of Operations, Line 5 “Program or Operating Expenses (Supply and Service Activities)” for Supply and Service Activities or Part III – Cost of Goods Sold, line 1.f. “Plus: Operating Expenses” for all other activities.

150702. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

150703. Line Item Instructions

Instructions for the content of each line item are as follows:

A. Line A. – Personnel Services and Benefits – Civilian. Report the amount of expense related to personnel services and benefits. Report the net total of sub-lines A.1. through A.4.

B. Line A.1. – Personnel Compensation. Report the total amount of expense related to personnel compensation. Include the amount of the following account as it relates to personnel compensation.

6100 Operating Expenses/Program Costs

C. Line A.2. – Annual Leave. Report the total amount of expense related to annual leave. Include the amount of the following accounts related to annual leave.

6100 Operating Expenses/Program Costs

6800 Future Funded Expenses

D. Line A.3. – Personnel Benefits. Report the total amount of expense related to personnel benefits. Include the amount of the following accounts related to personnel benefits.

6100 Operating Expenses/Program Costs

6400 Benefit Expense

6850 Employer Contributions to Employee Benefit Programs not
Requiring Current-Year Budget Authority (Unobligated)

7600 Changes in Actuarial Liability

E. Line A.4. – Benefits for Former Personnel. Report the total amount of expense related to benefits for former personnel. Include the amount of the following accounts related to benefits for former personnel.

6100 Operating Expenses/Program Costs
6400 Benefit Expense

F. Line B. – Travel and Transportation. Report the amount of expense related to travel and transportation. Report the net total of sub-lines B.1 and B.2.

G. Line B.1. – Travel and Transportation of People. Include the amount of the following account related to travel and transportation of persons.

6100 Operating Expenses/Program Costs

H. Line B.2. –Transportation of Things. Include the amount of the following account related to travel and transportation of things.

6100 Operating Expenses/Program Costs

I. Line C. – Rents, Communications and Utilities. Report the amount of expense related to rents, communications, utilities, and printing and reproduction. Report the net total of sub-lines C.1 and C.2.

J. Line C.1. – Rents, Communications and Utilities. Include the amount of the following account related to rents, communications and utilities.

6100 Operating Expenses/Program Costs

K. Line C.2. – Printing and Reproduction. Include the amount of the following account related to printing and reproduction.

6100 Operating Expenses/Program Costs

L. Line D. – Contractual Services. Report the amount of expense related to military personnel services and other contractual services. Report the net total of sub-lines D.1 and D.2.

M. Line D.1. – Military Personnel Services. Include the amount of the following account related to military personnel.

6100 Operating Expenses/Program Costs

N. Line D.2. – Purchased Services. Include the amount of the following account related to purchased services.

6100 Operating Expenses/Program Costs

O. Line E. – Supplies, Materials and Other Non-Capitalized Assets. Report the amount of expense related to supplies, materials and other non-capitalized assets. Report the net total of sub-lines E.1 and E.2.

P. Line E.1. – Supplies and Materials. Include the amount of the following account related to supplies and materials.

6100 Operating Expenses/Program Costs

Q. Line E.2. – Equipment. Include the amount of the following account related to equipment (not capitalized).

6100 Operating Expenses/Program Costs

R. Line F. – Grants and Fixed Charges. Report the amount of expense related to grants, subsidies, contributions, insurance, claims, and indemnifications. Report the net total of sub-lines F.1 through F.3

S. Line F.1. – Grants and Contributions. Include the amount of the following accounts related to grants, subsidies and contributions.

6100 Operating Expenses/Program Costs

T. Line F.2. – Insurance Claims and Indemnifications. Include the amount of the following account related to insurance claims and indemnifications.

6100 Operating Expenses/Program Costs

U. Line F.3. – Other Interest Expenses. Report the balances in the following accounts:

6310 Interest Expenses on Borrowing From the Bureau of the Public
Debt and/or the Federal Financing Bank

6330 Other Interest Expenses

V. Line G. – Other Expenses. Report amounts that do not coincide to the description of the other elements of expense and identify the type of expense reported in this line.

6100 Operating Expenses/Program Costs

6600 Applied Overhead

6610 Cost Capitalization Offset

6730 Imputed Costs

6790 Other Expenses Not Requiring Budgetary Resources

- 6800 Future Funded Expenses
- 6850 Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)
- 6900 Non-production Costs

W. Line H. – Depreciation. Include the amount of depreciation to be recouped to the operating budget of the activity. Report the net total of sub-lines H.1 through H.3

X. Line H.1. – Depreciation of Equipment. Include the amount of the following account related to depreciation of equipment.

- 6710 Depreciation, Amortization, and Depletion

Y. Line H.2. – Depreciation of Real Property. Include the amount of the following account related to depreciation of real property.

- 6710 Depreciation, Amortization, and Depletion

Z. Line H.3. – Amortization of Leasehold Improvements and Other Intangible Assets. Include the amount from the following account(s) related to amortization of leasehold improvements and other intangible assets.

- 6710 Depreciation, Amortization, and Depletion

AA. Line I. – Depreciation – Non-DWCF Acquired PP&E. The amount of depreciation on Plant, Property and Equipment acquired by the activity with funds other than DWCF Revolving Funds. Report the net total of sub-lines I.1 through I.3

AB. Line I.1. – Non-Recoverable Depreciation of Equipment. Include the amount of the following account related to depreciation of equipment acquired by the activity with funds other than DWCF Revolving Funds.

- 6710 Depreciation, Amortization, and Depletion

AC. Line I.2. – Non-Recoverable Depreciation of Real Property. Include the amount of the following account related to depreciation of real property acquired by the activity with funds other than DWCF Revolving Funds.

- 6710 Depreciation, Amortization, and Depletion

AD. Line I.3. – Non-Recoverable Amortization. Include the amount from the following account related to amortization of leasehold improvements and other intangible assets acquired by the activity with funds other than DWCF Revolving Funds.

- 6710 Depreciation, Amortization, and Depletion

AE. Line J. – Bad Debts. Report the balances in the following accounts:

6190 Contra Bad Debt Expense - Incurred for Others
6720 Bad Debt Expense

AF. Line K. – Other Losses and Gains. This represents expenses not captured elsewhere. Report the net total of sub-lines K.1 through K.5.

AG. Line K.1. – Losses on Disposition of Assets. Report the amounts from the account(s) listed as they related to losses on disposition of assets identified for the following categories: Non-Supply Management Activities; Non-Recoverable Disposal of Equipment/Capital Assets, Non-Federal; Non-Recoverable Base Realignment and Closure (BRAC) Cost, Non-Federal; and Other Expense-Non-Supply Management, Non-Federal.

7210 Losses on Disposition of Assets – Other

AH. Line K.2. – Net (Gains) Losses on Inventory Shrinkage/Deterioration. Report the amounts from the account(s) listed as they related to losses on inventory shrinkage/deterioration as reported by non-Supply Management activities.

7190 Other Gains
7290 Other Losses

AI. Line K.3. – Net (Gains) Losses on Inventory Excess/Obsolescence/Spoilage. Report the amounts from the account(s) listed as they related to losses on inventory excess, obsolescence and spoilage as reported by non-Supply Management activities.

7290 Other Losses

AJ. Line K.4. – Net Other Inventory (Gains) Losses. Report the amounts from the account(s) listed as they related to (gains) losses on inventory identified in the following break down. The following items should be included on this line:

Non-Recoverable Gains or Losses on Disposal of Excess Inventory,
Supply Management

7110 Gains on Disposition of Assets - Other
7190 Other Gains
7210 Losses on Disposition of Assets - Other
7290 Other Losses

Other Inventory Losses, Non-Supply Management
7290 Other Losses

AK. Line K.5. – Other Miscellaneous (Gains) Losses. Report the amounts from the account listed as it related to losses not specifically identified to another sub-category of Other Losses. The following items should be included on this line:

7180 Unrealized Gains
7190 Other Gains
7280 Unrealized Losses
7290 Other Losses

AL. For Information Only. Report miscellaneous information not otherwise defined.

AM. Expended Appropriation. The amount of appropriations used during the fiscal year when goods and services are received or benefits provided.

5700 Expended Appropriation

AN. Direct Labor Hours – Regular. Report the amount of year to date non-overtime direct labor hours for Industrial activities.

AO. Direct Labor Hours – Overtime. Report the amount of year to date overtime direct labor hours for Industrial activities.

AP. Direct Labor Hours – Total. Report the sum of “Direct Labor Hours – Regular” and “Direct Labor Hours – Overtime”.

*Figure 15-7: Statement of Operations, Part V – Recoverable Operating Results

DEFENSE WORKING CAPITAL FUND		
STATEMENT OF OPERATIONS: PART V-RECOVERABLE OPERATING RESULTS		
(DoD COMPONENT/BUSINESS AREA/ACTIVITY)		
MONTH ENDING _____, 20XX		
(\$ in thousands)		
1. NET OPERATING RESULTS (NOR)	\$	XXX
2. Deferred Operating Results (Gains/Losses) Net		XXX
a. Net (Gains) Losses on Disposal of Excess Inventory (+/-)	XXX	
b. Disposal of Equipment/Capital Assets (-)	XXX	
c. Non-Reimbursable Base Closure (BRAC) Costs (+/-)	XXX	
d. Capital Asset Surcharge (-)	XXX	
e. Cash Surcharge	XXX	
f. Inventory Replenishment	XXX	
g. Other Approved Gains and Losses (Must Be Footnoted)	XXX	
3. Depreciation, Non-DWCF Acquired PP&E		XXX
4. Net Recoverable Operating Results from Current Year Operations	\$	XXX

1508. FORMAT OF THE STATEMENT OF OPERATIONS: PART V - RECOVERABLE OPERATING RESULTS (FIGURE 15-7)

150801. General

Part V – Recoverable Operating Results, Figure 15-7, is intended to disclose differences, if any, between net operating results reported on Part I, - [Statement](#) of Operations, and the operating results used in the budget formulation of stabilized billing rates. As a matter of policy, any amounts that a DoD Component requests be excluded from its DWCF rates—whether identified in the Office of the Under Secretary of Defense (Comptroller) guidance as permissible or requested by the DoD Component—must be adequately documented and quantified. Further, all such amounts must be approved by the Office of the Under Secretary of Defense (Comptroller). Amounts not explicitly approved by the Office of the Under Secretary of Defense (Comptroller) for exclusion from customer rates shall be excluded from this report.

150802. Heading

Complete the heading of the form to [indicate](#): (a) the reporting DoD Component, (b) the reporting [DWCF](#) business area [or activity](#), (c) the reporting period (month), and (d) the [calendar](#) year.

150803. Line Item Instructions

Instructions for the content of each line item are as follows.

A. Line 1 – Net Operating Results ([NOR](#)). Enter the amount reported on Part I – [Statement](#) of Operations, line 11, “Net Operating Results (NOR).”

B. Line 2 – Deferred Operating Results (Gains/Losses) [Net](#).

1. Data reported on this line and its sublines, unless otherwise specified [below](#), are restricted to specific exclusions approved by the Office of the Deputy Comptroller (Program/Budget).

2. These exclusions shall include those amounts determined by the reporting Agency to be adjustments for the difference between the historical and latest acquisition costs for inventory valuation. This difference is attributed to the value of inventory reflected in the COGS at historical cost versus the value of inventory at latest acquisition cost. This difference must be reflected on the AR 1307 to adjust the NOR to Net Recoverable Operations Results based on replacement costs that preserve the Working Capital Funds ability to replenish stock.

3. Amounts to be reported on monthly activity reports should be obtained from, or approved by, the activity, management command of the reporting business area or the DoD Component departmental level. Report the net total of lines 2.a through 2.g.

C. Line 2.a – Net (Gains) Losses on Disposal of Excess Inventory. This line applies **only** to supply management business areas. Report those losses on potential excess/actual inventory for which an exclusion has been approved by the Office of the Deputy Comptroller (Program/Budget). Report the amount of gains/losses on the disposal of excess inventory as reported in the following accounts:

7110 Gains on Disposition of Assets – Other
7190 Other Gains
7210 Losses on Disposition of Assets – Other
7290 Other Losses

D. Line 2.b – Disposal of Equipment/Capital Assets. Report losses (or gains, if applicable) realized upon the disposal of excess equipment and other capital assets when the Office of the DoD Comptroller (Program/Budget) has approved the exclusion. NOTE: Losses on excess equipment and other capital assets disposed of as a result of base closure shall not be reported on this line but shall, instead, be reported on line 2.c. Report the amount of losses related to the disposal of equipment and capital assets as reported in the following accounts:

7110 Gains on Disposition of Assets – Other
7210 Losses on Disposition of Assets – Other

E. Line 2.c – Non-Reimbursable Base Closure (BRAC) Costs. Report losses (or gains, if applicable) in excess of reimbursement directly resulting from a base closure when the Office of the Deputy Comptroller (Program/Budget) has approved the exclusion. Report the amount of gains/losses related from BRAC costs as reported in the following accounts:

7110 Gains on Disposition of Assets – Other
7190 Other Gains
7210 Losses on Disposition of Assets – Other
7290 Other Losses

F. Line 2.d – Capital Asset Surcharge. Capital asset surcharge amounts, positive or negative, included in revenue will be adjusted to avoid either the return of an apparent gain or loss in the development of the subsequent year rate structure. This line is left blank when there is no capital surcharge revenue. A capital asset surcharge shall be included in customer rates only if approved by the Office of the Deputy Comptroller (Program/Budget). A capital asset surcharge might be approved when the amount of depreciation expense of existing capital assets included in stabilized rates is either less or greater than the budgeted Capital Program. As the capital asset surcharge does not have an offsetting expense, in isolation from other transactions, it would be anticipated to result in a gain (or loss) to net operating results. That gain/loss must be deducted from Net Operating Results to prevent its return or charge to customers in subsequent years through stabilized rates that are lower than they would be otherwise. Capital asset surcharge amounts may be reported without the prior approval of the Office of the Deputy Comptroller (Program/Budget). [See Annex 4 of Volume 4, Chapter 6 for further guidance.](#) Report the amount of revenue related to capital asset surcharges as reported in the following accounts:

5100 Revenue From Goods Sold
5200 Revenue From Services Provided

G. Line 2.e – Cash Surcharge. Similar to capital asset surcharges, activities may include a cash surcharge in their rates. Report the amount of revenue related to cash surcharges as reported in the following accounts:

5100 Revenue From Goods Sold
5200 Revenue From Services Provided

H. Line 2.f – Inventory Replenishment. The difference between the historical and latest acquisition costs for inventory valuation. Report the amount of revenue related to inventory replenishment as reported in the following accounts:

5100 Revenue From Goods Sold

I. Line 2.g – Other Approved Gains and Losses (Must Be Footnoted). Report any other approved gain or loss not already identified. May include, but is not limited to the following accounts:

5100 Revenue From Goods Sold
5700 Expended Appropriations
6710 Depreciation, Amortization, and Depletion
7110 Gains on Disposition of Assets - Other
7190 Other Gains
7290 Other Losses

J. Line 3 – Depreciation, Non-DWCF Acquired PP&E. Report the amount of depreciation from non-DWCF acquired Plant, Property and Equipment which is identified as an asset capitalized on Part II – Changes in Net Position, line 1.D.(1).d. “Minus: Depreciation, Non-DWCF Acquired PP&E.” Report the amount from Part IV – Expenses, Line I, “Depreciation on non-DWCF Acquired PP&E”, minus gains and losses.” This amount must be reflected in a footnote.

K. Line 4 – Net Recoverable Operating Results from Current Year Operations. Report the net total of lines 1 through 3.

*150804. Year End Procedures

At fiscal year end, the Net Operating Results is closed to Cumulative Results of Operations. Since part of that amount may be a non-recoverable deferred amount and an amount related to depreciation for non-DWCF acquired PP&E, those amounts should be separately identified in financial records. These amounts should be identified with attributes.

A. The amount reported on Line 2, “Deferred Operating Results (Gains/Losses) Net” should be the opposite of Part II – Changes in Net Position, Line 1.B.(2).d.

“Plus or Minus: Net Operating Results” during the fiscal year and closed to deferred Cumulative Results of Operations during the year-end close process. The amount on Line 3, “Depreciation, Non-DWCF Acquired PP&E” should be reported on Part II – Changes in Net Position, Line 1.D.(1).d “Minus: Depreciation, Non-DWCF Acquired PP&E” during the fiscal year and closed to “Assets Capitalized – Beginning of Period” during the year end close process. The amount on Line 4, “Net Recoverable Operating Results from Current Year Operations” should be reported on Part II – Changes in Net Position, Line 1.B.(1).d. “Plus or Minus: Net Operating Results” during the fiscal year and closed to Cumulative Results of Operations – Recoverable during the year end close process.

Figure 15-8: Statement of Operations, Part VI – Capital Program

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART VI-CAPITAL PROGRAM (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)									
Program Year	Approved Program			Obligations			Outlays		
	Original Program	Program Adjustments	Current Program	This Fiscal Year	Prior Fiscal Year(s)	Total	This Fiscal Year	Prior Fiscal Year(s)	Total
FY 20PY – X	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX
FY 20PY – 4	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 3	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 2	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY – 1	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20PY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
FY 20CY	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Total	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX	\$ XXX

1509. FORMAT OF THE STATEMENT OF OPERATIONS: PART VI – CAPITAL PROGRAM (FIGURE 15-8)

150901. General

A. Part VI – Capital Program, Figure 15-8, reflects the program, obligations, and outlays for each fiscal year of the program. A capital asset for this report must meet the Working Capital Fund Investment Threshold for the program year reported and have a useful life of 2 years or greater.

B. For reporting these amounts, the reporting period is defined as the year to date amounts, i.e., amounts reported since the end of the prior fiscal year to the end of the reporting month shown in the heading.

150902. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity (c) the reporting period (month), and (d) the calendar year.

*150903. Columnar Instructions

The contents of the columns should be as follows:

A. Program Year (Column 1). Separate fiscal year program identification is required. All prior fiscal years must be separately identified until all obligations and outlays for the approved program have been fully concluded. The fiscal year programs will be arranged in consecutive order, starting with the least current fiscal year program.

B. Approved Program - Original Program (Column 2). The original program amount will be capital authority approved for the reporting fiscal year on the initial Annual Operating Budget (AOB) for the fiscal year. Carryover from prior fiscal years is already reported as part of the initial program for that year. The amount reported should not change in subsequent years. Changes in the Capital Program amounts are shown in “Program Adjustments” (Column 3).

C. Approved Program - Program Adjustments (Column 3). Amounts included in this column shall be adjustments (generally, deductions) to the initial approved Capital Program amounts. Adjustments to the initial approved program amounts are disclosed in the AOBs for a subsequent program year. The amount reported in this column may change annually as of the beginning of a fiscal year, but should not change during a fiscal year except at year-end. The amount reported in this column will change at the end of each fiscal year to allow the value of Current Program (column 4) to equal the amount of Obligations-Total (column 7).

D. Approved Programs - Current Program (Column 4). This is the sum of the original program (column 2) and program adjustments (column 3). These amounts will be subject to the provisions of 31 U.S.C. 1517 (a), “Prohibited Obligations and Expenditures”.

E. Obligations – This Fiscal Year (Column 5). Amounts included in this column shall be the total amount of obligations incurred in the current fiscal year.

F. Obligations – Prior Fiscal Year(s) (Column 6). Amounts included in this column shall be the cumulative amount of obligations (Column 7) as of the end of the prior fiscal year. The amount reported should not change during the reporting fiscal year.

G. Obligations – Total (Column 7). This is the sum of Obligations-Current Fiscal Year (column 5) and Obligations-Prior Fiscal Year(s) (column 6). **The amount reported in Column 4 “Current Program” must be greater than or equal to the amount reported in column 7 “Obligations Total”.**

H. Outlays – This Fiscal Year (Column 8). Amounts included in this column shall be the total amount of outlays incurred in the current fiscal year.

I. Outlays – Prior Fiscal Year(s) (Column 9). Amounts included in this column shall be the cumulative amount of outlays (Column 10) as of the end of the prior fiscal year. The amount reported should not change during the reporting fiscal year.

J. Outlays – Total (Column 10). This is the sum of Outlays-Current Fiscal Year (column 8) and Outlays-Prior Fiscal Year(s) (column 9). **The amount reported in Column 7 “Obligations Total” must be greater than or equal to the amount reported in column 10 “Outlays Total”.**

*Figure 15-9: Statement of Operations: Part VII – Inventory Management Report-Supply Management Business Area

DEFENSE WORKING CAPITAL FUND STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT REPORT – SUPPLY MANAGEMENT BUSINESS AREA (DoD COMPONENT/BUSINESS AREA/ACTIVITY) MONTH ENDING _____, 20XX (\$ in thousands)			
	Current Year To Date	Planned To Date	Variance
A. Customer Orders Accepted – Cumulative	\$ XXX	\$ XXX	\$ XXX
B. Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative	XXX	XXX	XXX
C. Unfilled Customer Orders	XXX	XXX	XXX
D. Customer Returns – Credits Granted – Cumulative	XXX	XXX	XXX
E. Net Reimbursable Sales – Cumulative	XXX	XXX	XXX
F. Purchases at Cost (LAC) – Cumulative	XXX	XXX	XXX
G. Obligations – Cumulative	XXX	XXX	XXX
H. Obligations – Reimbursable	XXX	XXX	XXX
I. Obligations – Augmentation – Cumulative	XXX	XXX	XXX
J. Obligations – Mobilization – Cumulative	XXX	XXX	XXX
K. Outstanding Commitments	XXX	XXX	XXX
L. Inventories – Stock on Hand	XXX	XXX	XXX
M. Other Inventories	XXX	XXX	XXX
N. Inventories in Transit	XXX	XXX	XXX
P. Total Inventories	XXX	XXX	XXX
Q. Customer Returns Without Credit – Cumulative	XXX	XXX	XXX
R. Transfers to Reutilization and Market – Cumulative	XXX	XXX	XXX
S. Material Returns to Suppliers – Cumulative	XXX	XXX	XXX
T. Undelivered Orders	XXX	XXX	XXX
U. Fund Balance with Treasury	XXX	XXX	XXX
V. Funds Collected – Cumulative	XXX	XXX	XXX
W. Funds Disbursed – Cumulative	XXX	XXX	XXX
X. Accounts Receivable – Intragovernmental	XXX	XXX	XXX
Y. Accounts Receivable – Non-Federal	XXX	XXX	XXX
Z. Accounts Payable	XXX	XXX	XXX

1510. FORMAT OF THE STATEMENT OF OPERATIONS: PART VII – INVENTORY MANAGEMENT REPORT – SUPPLY MANAGEMENT BUSINESS AREA (FIGURE 15-9)

*151001. General

Part VII - Inventory Management Report – Supply Management Business Area, Figure 15-9, compares fiscal data from the supply management business area general ledger with the approved operating program for the purpose of monitoring the execution of the current year budget. This report applies solely to Supply Management Business areas for the reporting of inventory related transactions.

151002. Heading

Complete the heading of the form to indicate: (a) the reporting DoD Component, (b) the reporting DWCF business area or activity, (c) the reporting period (month), and (d) the calendar year.

151003. General Reporting Requirements

A. Form. Each DoD Component shall submit an Inventory Management Report for each supply management business area division on forms consistent with the example provided. Division reports shall show entries only for column one “Current Year To Date”.

151004. Specific Reporting Requirements

A. Description of Line Entries. Specific descriptions of entries for each line on the Inventory Management Report are provided in section 151005.

B Current Year to Date. Column 1, “Current Year to Date,” shall reflect the current amount through the month reported.

C. Planned to Date. Column 2, “Planned to Date,” shall reflect the cumulative programmed amount (from the component’s approved operating program), at the total DoD Component level, for the month being reported.

D. Variance. On only the DoD Component supply management business area summarized report Column 3, “Variance,” shall reflect the difference between column 1 and column 2 in terms of the dollar amount.

151005. Description of Entries

A. Line A – Customer Orders Accepted – Cumulative. Enter the total amount of customer orders received for the Fiscal Year to date. Report the net change for the year of the following general ledger accounts:

4221 Unfilled Customer Orders Without Advance

- 4222 Unfilled Customer Orders With Advance
- 4251 Reimbursements and Other Income Earned – Receivable
- 4252 Reimbursements and Other Income Earned – Collected
- 4253 Prior-Year Unfilled Customer Orders With Advance – Refunds Paid

B. Line B – Gross Reimbursable Sales of Property, Inventory, & Services – Cumulative. Enter the total sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.a “Gross Revenue from Sales” of Part I of the Statement of Operations. Report the balance of the following general ledger accounts:

- 5100 Revenue From Goods Sold
- 5200 Revenue From Services Provided

C. Line C – Unfilled Customer Orders. Enter the amount of requisitions or orders outstanding from customers. Report the balance of the following general ledger accounts:

- 4221 Unfilled Customer Orders Without Advance
- 4222 Unfilled Customer Orders With Advance

D. Line D – Customer Returns – Credits Granted – Cumulative. Enter the amount of credit granted to customers for material returns for the Fiscal Year to Date. The amount reported shall equal the amount reported on line 2.b. “Minus: Credits Allowed on Sales” of Part I of the Statement of Operations. Report the amount of credit granted to customers for material returns from the following general ledger accounts:

- 5109 Contra Revenue for Goods Sold
- 5209 Contra Revenue for Services Provided

E. Line E – Net Reimbursable Sales – Cumulative. Enter the net sales for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2. “Revenue from Sales of Goods and Services” of Part I of the Statement of Operations. Report the result of line B. less line D.

F. Line F – Purchases at Cost (LAC) – Cumulative. Enter the amount of purchases at cost for this Fiscal Year to date. The amount reported shall equal the amount reported on line 2.e. “Plus: Purchases at Cost” of Part III, “Cost of Goods Sold,” of the Statement of Operations. Report the portion of the following general ledger account, which identifies purchases at cost:

- 1529 Inventory - Allowance

G. Line G – Obligations – Cumulative. Enter the total obligations incurred this Fiscal Year to date. (The sum of report lines H., I., and J.)

H. Line H – Obligations – Reimbursable. Enter the amount of operating obligations incurred this Fiscal Year to date. The amount reported should not include obligations reported on lines I. and J. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4981 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

I. Line I – Obligations – Augmentation – Cumulative. Enter the amount of obligations incurred this Fiscal Year to date for inventory augmentation, initial issue. Inventory augmentation purposes are defined in Volume 2B, Chapter 9, of this Financial Management Regulation. The amount reported should not include obligations reported on lines H. and J. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced
- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4981 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Paid

J. Line J – Obligations – Mobilization – Cumulative. Enter the amount of obligations incurred this Fiscal Year to date for war reserve purposes. War reserve purposes are defined in Volume 2B, Chapter 9, of this Financial Management Regulation. The amount reported should not include obligations reported on lines H. and I. Report net change for the Fiscal Year of the following accounts:

- 4801 Undelivered Orders - Obligations, Unpaid
- 4802 Undelivered Orders - Obligations, Prepaid/Advanced

- 4831 Undelivered Orders - Obligations Transferred, Unpaid
- 4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
- 4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries
- 4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
- 4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
- 4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced
- 4901 Delivered Orders - Obligations, Unpaid
- 4902 Delivered Orders - Obligations, Paid
- 4981 Upward Adjustments of Prior-Year Delivered Orders – Obligations, Unpaid
- 4982 Upward Adjustments of Prior-Year Delivered Orders - Obligations, Paid

K. Line K – Outstanding Commitments. Enter the amount of commitments outstanding that has not resulted in obligations. Report the balance of the following general ledger account:

- 4700 Commitments - Programs Subject to Apportionment

L. Line L – Inventories – Stock On Hand. Enter the total amount of inventory on hand at the end of the report period after adjustment to LAC. Report the net total balance of the following general ledger [accounts](#) after adjustment to estimated cost:

- 1521 Inventory Purchased for Resale
- 1522 Inventory Held in Reserve for Future Sale
- 1523 Inventory Held for Repair
- 1524 Inventory - Excess, Obsolete, and Unserviceable
- 1529 Inventory - Allowance

M. Line M – Other Inventories. Enter the total amount of other inventories (except inventories in transit reported on Line N.) consisting of Work in Progress, On Loan to Others for Use, and With Agents. Report the net total balance of the following general ledger accounts:

- 1525 Inventory - Raw Materials
- 1526 Inventory - Work-in-Process
- 1527 Inventory - Finished Goods

N. Line N – Inventories in Transit. Enter the amount of material in transit. Report the balance of the following account that is identified as being in transit:

- 1521 Inventory Purchased for Resale

1523 Inventory Held for Repair
1525 Inventory - Raw Materials
1527 Inventory - Finished Goods

O. Line P – Total Inventories. Enter the sum of the amounts reported on lines L., M., and N.

P. Line Q – Customer Returns Without Credit – Cumulative. Enter the amount of returns from customers without credit. The amount reported should equal the net of the total amount of returns from customers less the amount reported on line D. “[Customer Returns – Credits Granted – Cumulative](#)”. Report the balance of the following general ledger accounts:

1529 Inventory - Allowance
7190 Other Gains

Q. Line R – Transfers to Reutilization and Market – Cumulative. Enter the net amount transferred to DRMOs ([Defense Reutilization & Marketing Service](#)) from the Fiscal Year to date. Report the amount from the following general ledger accounts that apply to transfers to reutilization and marketing offices:

[7210 Losses on Disposition of Assets – Other](#)

R. Line S – Material Returns to Suppliers – Cumulative. Enter the total amount of returns to Non-Federal suppliers and contractors.

S. Line T – Undelivered Orders. Enter the total amount of undelivered orders outstanding. Report the balance of the following general ledger accounts:

4801 Undelivered Orders - Obligations, Unpaid
4802 Undelivered Orders - Obligations, Prepaid/Advanced
4831 Undelivered Orders - Obligations Transferred, Unpaid
4832 Undelivered Orders - Obligations Transferred, Prepaid/Advanced
4871 Downward Adjustments of Prior-Year Unpaid Undelivered Orders - Obligations, Recoveries
4872 Downward Adjustments of Prior-Year Prepaid/Advanced Undelivered Orders - Obligations, Refunds Collected
4881 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Unpaid
4882 Upward Adjustments of Prior-Year Undelivered Orders – Obligations, Prepaid/Advanced

T. Line U – Fund Balance with Treasury. Enter the total amount of Funds Balance [with Treasury](#). This amount shall equal the total of lines [1.f.](#) and [1.g.](#) of the Statement of Financial Position. Report the balance of the following general ledger account:

1010 Fund Balance with Treasury

U. Line V – Funds Collected – Cumulative. Enter the amount of the collections for the Fiscal Year to date. The amount reported shall equal the amount reported on lines 1.a. and 1.b. of the Statement of Financial Position. Report the amounts that apply from the following general ledger account:

1010 Fund Balance with Treasury

V. Line W – Funds Disbursed – Cumulative. Enter the amount of the disbursements for the Fiscal Year to date. The amount reported shall equal the amount reported on lines 1.c. and 1.d. of the Statement of Financial Position. Report the amount that applies from the following general ledger account:

1010 Fund Balance with Treasury

W. Line X – Accounts Receivable – Intragovernmental. Enter the amount of receivables outstanding that are due from other federal governmental entities. Report the amounts that apply from the following accounts:

- 1310 Accounts Receivable
- 1320 Employment Benefit Contributions Receivable
- 1330 Receivable for Transfers of Currently Invested Balances
- 1335 Expenditure Transfers Receivable
- 1340 Interest Receivable – Not Otherwise Classified
- 1350 Loans Receivable
- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified

X. Line Y – Accounts Receivable – Non-Federal. Enter the amount of receivables outstanding that are due from Non-Federal entities. Report the amounts that apply from the following accounts:

- 1310 Accounts Receivable
- 1319 Allowance for Loss on Accounts Receivable
- 1320 Employment Benefit Contributions Receivable
- 1325 Taxes Receivable
- 1329 Allowance for Loss on Taxes Receivable
- 1340 Interest Receivable – Not Otherwise Classified
- 1349 Allowance for Loss on Interest Receivable – Not Otherwise Classified
- 1350 Loans Receivable
- 1360 Penalties and Fines Receivable – Not Otherwise Classified
- 1367 Allowance for Loss on Penalties and Fines Receivable – Not Otherwise Classified
- 1370 Administrative Fees Receivable – Not Otherwise Classified

1377 Allowance for Loss on Administrative Fees Receivable- Not
Otherwise Classified

Y. Line Z – Accounts Payable. Enter the total amount of accounts payable outstanding. Report the net total balance of the following accounts:

2110 Accounts Payable
2120 Disbursements in Transit

Z. Footnotes. Include in a footnote, the estimated balance of line U “Fund Balance with Treasury” that is the result of appropriations by type of appropriation, i.e., inventory augmentation or War Reserves and the estimated amount from operations. Include in a footnote, the amounts of line L., “Inventories – Stock on Hand”, at standard price.

*Figure 15-10: DWCF Financial Reporting Activities

DEPARTMENT OF THE ARMY (97X4930.1)

DWCF Financial Reporting Activities

ARMY SUPPLY MANAGEMENT

- # Army Managed Items
- * Aviation and Missile Life Cycle Management Command (AMCOM LCMC), Huntsville, AL
- * Communications Electronics Lifecycle Management Command (CECOM LCMC), Ft. Monmouth, NJ
- * Tank and Armaments Lifecycle Management Command (TACOM LCMC), Warren, MI
- * Army Material Command Mobilization (AMC-MOB), Ft. Belvoir, VA

- # Non-Army Managed Items
- * Non-Army Managed Items – Product Support / Integration Directorate (NAMI-PSID), Rock Island, IL

ARMY INDUSTRIAL OPERATIONS

- # Industrial Operations
- * Tooele Army Depot, Tooele, UT
- * Anniston Army Depot, Bynum, AL
- * Bluegrass Army Depot, Richmond, KY
- * Sierra Army Depot, Herlong, CA
- * Letterkenny Army Depot, Chambersburg, PA
- * Red River Army Depot, Texarkana, TX
- * Tobyhanna Army Depot, Tobyhanna, PA
- * Corpus Christi Army Depot, Corpus Christi, TX
- * Pine Bluff Arsenal, Pine Bluff, AR
- * Rock Island Arsenal, Rock Island, IL
- * Watervliet Arsenal, Watervliet, NY
- * McAlester Army Ammunition Plant, McAlester, OK
- * Crane Army Ammunition Activity, Crane, IN

Key to Symbols

= DWCF Consolidation Point

* = DWCF Financial Reporting (AR(M) 1307) Entity

*Figure 15-10: DWCF Financial Reporting Activities (continued)

DEPARTMENT OF THE NAVY (97X4930.2)

DWCF Financial Reporting Activities

NAVY SUPPLY MANAGEMENT

Navy Managed Items

- * Navy Supply Systems Command, Mechanicsburg, PA
- * Marine Corps Supply Management, Albany, GA

NAVY LOGISTICS SUPPORT ACTIVITIES

NAVY DEPOT MAINTENANCE

Shipyards

- * Norfolk Naval Shipyard, Portsmouth, VA
- * Portsmouth Naval Shipyard, Kittery, ME
- * Long Beach Naval Shipyard, Long Beach, CA

Aviation

- * Fleet Readiness Center Southwest, North Island, CA
- * Fleet Readiness Center East, Cherry Point, NC
- * Fleet Readiness Center Southeast, Jacksonville, FL

Marine Corps Depots

- * Marine Corps Depot, Albany, GA
- * Marine Corps Depot, Barstow, CA

Navy Base Support

- * Naval Facilities Engineering Command, Mid-West, Great Lakes, IL
- * Naval Facilities Engineering Command, Marianas, Guam
- * Naval Facilities Engineering Command, Far East, Yokosuka, Japan
- * Naval Facilities Engineering Command, Hawaii, Pearl Harbor, HI
- * Naval Facilities Engineering Command, Mid-Atlantic, Norfolk, VA
- * Naval Facilities Engineering Command, Washington, Washington, DC
- * Naval Facilities Engineering Command, Southwest, San Diego, CA
- * Naval Facilities Engineering Command, Northwest, Silverdale, WA
- * Naval Facilities Engineering Command, Europe, Naples, Italy
- * Naval Facilities Engineering Command, Southeast, Jacksonville, FL
- * Naval Facilities Engineering Service Center, Port Hueneme, CA

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*Figure 15-10: DWCF Financial Reporting Activities (continued)

NAVY RESEARCH & DEVELOPMENT

- # Naval Air Warfare Centers
 - * Naval Air Warfare Center-Aircraft Division, Patuxent River, MD
 - * Naval Air Warfare Center-Weapons Division, China Lake, CA
- # Naval Surface Warfare Centers
 - * Naval Surface Warfare Center, Carderock Division, [West Bethesda](#), MD
 - * Naval Surface Warfare Center, Corona Division, Corona, CA
 - * Naval Surface Warfare Center, Crane Division, Crane, IN
 - * Naval Surface Warfare Center, Dahlgren Division, Dahlgren, VA
 - * Naval Surface Warfare Center, Indian Head Division, Indian Head, MD
 - * Naval Surface Warfare Center, Port Hueneme Division, Port Hueneme, CA
 - * Naval Surface Warfare Center, Panama City Division, Panama City, FL
 - * Naval Surface Warfare Center, Explosive Ordnance Disposal Technology Division, Indian Head, MD
- # Naval Undersea Warfare Centers
 - * Naval Undersea Warfare Center, Keyport Division, Keyport, WA
 - * Naval Undersea Warfare Center, Newport Division, Newport, RI
- # Space and Naval Warfare Systems Centers (SSC)
 - * SSC [Pacific](#), San Diego, CA
 - * SSC [Atlantic](#), Charleston, SC
- * Naval Research Laboratory, Washington, DC
- # Navy Transportation
 - * Military Sealift Command, Washington DC

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*Figure 15-10: DWCF Financial Reporting Activities (continued)

DEPARTMENT OF THE AIR FORCE (97X4930.3)

DWCF Financial Reporting Activities

AIR FORCE DEPOT MAINTENANCE

- # Air Force Depot Maintenance Program
- * Warner Robins Air Logistics Center, Robins Air Force Base, Warner Robins, GA
- * Ogden Air Logistics Center, Hill Air Force Base, Ogden, UT
- * Oklahoma City Air Logistics Center, Tinker Air Force Base, Oklahoma City, OK
- * Aerospace Maintenance & Regeneration Group, Davis-Monthan Air Force Base, Tucson, AZ

AIR FORCE SUPPLY MANAGEMENT

- # Air Force Supply Management Activity Group
- * Medical-Dental Division: Air Force Medical Logistics Office, Frederick, MD
- * Academy Cadet Store: U.S. Air Force Academy, Colorado Springs, CO
- * Material Support Division: HQ, Air Force Materiel Command, Wright-Patterson Air Force Base, Dayton, OH

UNITED STATES TRANSPORTATION COMMAND

- * Air Mobility Command, Scott Air Force Base, IL
- * Military Sealift Command (MSC), Washington, DC
- * Surface Deployment and Distribution Command (SDDC), Scott Air Force Base, IL
- * US Transportation Command, Scott Air Force Base, IL
- * Defense Courier Division (DCD), Scott Air Force Base, IL

DEFENSE COMMISSARY AGENCY (97X4930.4)

- * Commissary Resale
- * Commissary Operations

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*Figure 15-10: DWCF Financial Reporting Activities (continued)

DEFENSE AGENCIES (97X4930.5)
DWCF Financial Reporting Activities

OTHER DEFENSE ORGANIZATIONS (ODO)

- * Defense Logistics Agency, Ft. Belvoir, VA
- * Defense Distribution Center, New Cumberland, PA
- * Defense Energy Support Center, Ft. Belvoir, VA
- * Defense Logistics Management Standards Office, Ft. Belvoir, VA
- * Defense Logistics Information Service, Battle Creek, MI
- * Defense Reutilization and Marketing Service, Battle Creek, MI
- * Defense Supply Center, Richmond, VA
- * Defense Supply Center, Philadelphia, PA
- * Documentation Automation and Production Services, Mechanicsburg, PA

DEFENSE INFORMATION SYSTEMS AGENCY (DISA)

- * DISA Africa Command
- * DISA Central Command, MacDill Air Force Base, FL
- * DISA Continental United States Field Command, Scott Air Force Base, IL
- * DISA Europe Field Command, Stuttgart, Germany
- * DISA Joint Forces Command, Norfolk, VA
- * DISA Northern Command, Peterson Air Force Base, CO
- * DISA Pacific Field Command, Ford Island, HI
- * DISA Special Operations Command, MacDill Air Force Base, FL
- * DISA US Army Reserve Element, Gettysburg, PA
- * DISA Southern Command, Miami, FL
- * DISA United States Strategic Command, Offutt Air Force Base, NE
- * DISA TRANSCOM Field Office, Scott Air Force Base, IL
- * DISA Field Security Operations, Chambersburg, PA

DEFENSE FINANCE AND ACCOUNTING SERVICE

- * Financial Operations, Arlington, VA

OSD HEADQUARTERS ACCOUNT

#COMPONENT LEVEL

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